UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020

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 No. 001-16427

Fidelity National Information Services, Inc.

(Exact name of registrant as specified in its charter)

Georgia	**37-1490331**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

601 Riverside Avenue		
Jacksonville	**Florida**	**32204**
(Address of principal executive offices)		*(Zip Code)*

(904) 438-6000
(Registrant's telephone number, including area code)
(Former Name or Former Address, if Changed Since Last Report)

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	**FIS**	**New York Stock Exchange**
0.400% Senior Notes due 2021	**FIS21A**	**New York Stock Exchange**
Floating Rate Senior Notes due 2021	**FIS21B**	**New York Stock Exchange**
0.125% Senior Notes due 2021	**FIS21C**	**New York Stock Exchange**
1.700% Senior Notes due 2022	**FIS22B**	**New York Stock Exchange**
0.125% Senior Notes due 2022	**FIS22C**	**New York Stock Exchange**
0.750% Senior Notes due 2023	**FIS23A**	**New York Stock Exchange**
1.100% Senior Notes due 2024	**FIS24A**	**New York Stock Exchange**
2.602% Senior Notes due 2025	**FIS25A**	**New York Stock Exchange**
0.625% Senior Notes due 2025	**FIS25B**	**New York Stock Exchange**
1.500% Senior Notes due 2027	**FIS27**	**New York Stock Exchange**
1.000% Senior Notes due 2028	**FIS28**	**New York Stock Exchange**
2.250% Senior Notes due 2029	**FIS29**	**New York Stock Exchange**
2.000% Senior Notes due 2030	**FIS30**	**New York Stock Exchange**
3.360% Senior Notes due 2031	**FIS31**	**New York Stock Exchange**
2.950% Senior Notes due 2039	**FIS39**	**New York Stock Exchange**

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 (§232.405 of this chapter) 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	☒	Accelerated filer	☐
Non-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 is a shell company (as defined in Rule 12b-2 of the Exchange Act) YES ☐ NO ☒

As of October 28, 2020, 620,508,824 shares of the Registrant's Common Stock were outstanding.

FORM 10-Q
QUARTERLY REPORT
Quarter Ended September 30, 2020

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FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In millions, except per share amounts)
(Unaudited)

	September 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,826	$ 1,152
Settlement deposits and merchant float	2,840	2,882
Trade receivables, net of allowance for credit losses of $66 and $60 at September 30, 2020 and December 31, 2019, respectively	3,146	3,242
Contract assets	164	124
Settlement receivables	774	647
Other receivables	361	337
Prepaid expenses and other current assets	823	308
Total current assets	9,934	8,692
Property and equipment, net	914	900
Goodwill	52,567	52,242
Intangible assets, net	14,224	15,798
Software, net	3,301	3,204
Other noncurrent assets	1,404	2,303
Deferred contract costs, net	851	667
Total assets	$ 83,195	$ 83,806
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY		
Current liabilities:		
Accounts payable, accrued and other liabilities	$ 2,586	$ 2,374
Settlement payables	4,438	4,228
Deferred revenue	775	817
Short-term borrowings	3,144	2,823
Current portion of long-term debt	1,832	140
Total current liabilities	12,775	10,382
Long-term debt, excluding current portion	15,213	17,229
Deferred income taxes	4,172	4,281
Other noncurrent liabilities	1,768	2,406
Deferred revenue	46	52
Total liabilities	33,974	34,350
Redeemable noncontrolling interest	176	—
Equity:		
FIS stockholders' equity:		
Preferred stock $0.01 par value; 200 shares authorized, none issued and outstanding at September 30, 2020 and December 31, 2019	—	—
Common stock $0.01 par value, 750 shares authorized, 621 and 615 shares issued at September 30, 2020 and December 31, 2019, respectively	6	6
Additional paid in capital	45,821	45,358
Retained earnings	3,556	4,161
Accumulated other comprehensive earnings (loss)	(212)	(33)
Treasury stock, $0.01 par value, 1 common shares as of September 30, 2020 and less than 1 as of December 31, 2019, respectively, at cost	(140)	(52)
Total FIS stockholders' equity	49,031	49,440
Noncontrolling interest	14	16
Total equity	49,045	49,456
Total liabilities, redeemable noncontrolling interest and equity	$ 83,195	$ 83,806

See accompanying notes to unaudited condensed consolidated financial statements.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES
Condensed Consolidated Statements of Earnings
(In millions, except per share amounts)
(Unaudited)

	Three months ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenue	$ 3,197	$ 2,822	$ 9,236	$ 6,991
Cost of revenue	2,104	1,838	6,238	4,623
Gross profit	1,093	984	2,998	2,368
Selling, general, and administrative expenses	862	757	2,613	1,435
Asset impairments	—	87	—	87
Operating income	231	140	385	846
Other income (expense):				
Interest expense, net	(84)	(95)	(252)	(242)
Other income (expense), net	(4)	164	31	(8)
Total other income (expense), net	(88)	69	(221)	(250)
Earnings (loss) before income taxes and equity method investment earnings (loss)	143	209	164	596
Provision (benefit) for income taxes	121	48	94	119
Equity method investment earnings (loss)	—	(5)	(9)	(18)
Net earnings	22	156	61	459
Net (earnings) loss attributable to noncontrolling interest	(2)	(2)	(7)	(3)
Net earnings attributable to FIS common stockholders	$ 20	$ 154	$ 54	$ 456
Net earnings per share-basic attributable to FIS common stockholders	$ 0.03	$ 0.30	$ 0.09	$ 1.18
Weighted average shares outstanding-basic	620	516	618	388
Net earnings per share-diluted attributable to FIS common stockholders	$ 0.03	$ 0.29	$ 0.09	$ 1.15
Weighted average shares outstanding-diluted	627	524	626	396

See accompanying notes to unaudited condensed consolidated financial statements.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Earnings
(In millions)
(Unaudited)

	Three months ended September 30,				Nine months ended September 30,			
	2020		2019		2020		2019	
Net earnings		$ 22		$ 156		$ 61		$ 459
Other comprehensive earnings (loss), before tax:								
Unrealized gain (loss) on derivatives	$ —		$ —		$ —		$ (16)	
Adjustment for (gain) loss reclassified to net earnings	—		1		—		(3)	
Unrealized gain (loss) on derivatives, net	—		1		—		(19)	
Foreign currency translation adjustments	78		81		(306)		98	
Minimum pension liability adjustments	1		—		2		(4)	
Other comprehensive earnings (loss), before tax	79		82		(304)		75	
Provision for income tax (expense) benefit related to items of other comprehensive earnings	67		(35)		125		(36)	
Other comprehensive earnings (loss), net of tax	$ 146	146	$ 47	47	$ (179)	(179)	$ 39	39
Comprehensive earnings (loss)		168		203		(118)		498
Net (earnings) loss attributable to noncontrolling interest		(2)		(2)		(7)		(3)
Comprehensive earnings (loss) attributable to FIS common stockholders		$ 166		$ 201		$ (125)		$ 495

See accompanying notes to unaudited condensed consolidated financial statements.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES
Condensed Consolidated Statements of Equity
Three and nine months ended September 30, 2020
(In millions, except per share amounts)
(Unaudited)

	Number of shares		Amount						
			FIS Stockholders						
	Common shares	Treasury shares	Common stock	Additional paid in capital	Retained earnings	Accumulated other comprehensive earnings (loss)	Treasury stock	Noncontrolling interest (1)	Total equity
Balances, June 30, 2020	619	(1)	$ 6	$ 45,736	$ 3,753	$ (358)	$ (94)	$ 14	$ 49,057
Issuance of restricted stock	2	—	—	—	—	—	—	—	—
Exercise of stock options	—	—	—	35	—	—	—	—	35
Treasury shares held for taxes due upon exercise of stock options	—	—	—	(7)	—	—	(46)	—	(53)
Stock-based compensation	—	—	—	57	—	—	—	—	57
Cash dividends declared ($0.35 per share per quarter) and other distributions	—	—	—	—	(217)	—	—	(1)	(218)
Other	—	—	—	—	—	—	—	—	—
Net earnings	—	—	—	—	20	—	—	1	21
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	146	—	—	146
Balances, September 30, 2020	621	(1)	$ 6	$ 45,821	$ 3,556	$ (212)	$ (140)	$ 14	$ 49,045

	Number of shares		Amount						
			FIS Stockholders						
	Common shares	Treasury shares	Common stock	Additional paid in capital	Retained earnings	Accumulated other comprehensive earnings (loss)	Treasury stock	Noncontrolling interest (1)	Total equity
Balances, December 31, 2019	615	—	$ 6	$ 45,358	$ 4,161	$ (33)	$ (52)	$ 16	$ 49,456
Issuance of restricted stock	2	—	—	(7)	—	—	7	—	—
Exercise of stock options	4	—	—	293	—	—	—	—	293
Treasury shares held for taxes due upon exercise of stock options	—	(1)	—	(7)	—	—	(95)	—	(102)
Stock-based compensation	—	—	—	182	—	—	—	—	182
Cash dividends declared ($0.35 per share per quarter) and other distributions	—	—	—	—	(653)	—	—	(5)	(658)
Other	—	—	—	2	(6)	—	—	—	(4)
Net earnings	—	—	—	—	54	—	—	3	57
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	(179)	—	—	(179)
Balances, September 30, 2020	621	(1)	$ 6	$ 45,821	$ 3,556	$ (212)	$ (140)	$ 14	$ 49,045

(1) Excludes redeemable noncontrolling interest that is not considered equity. See Note 3, *Virtus Acquisition,* for additional information.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES
Condensed Consolidated Statements of Equity
Three and nine months ended September 30, 2019
(In millions, except per share amounts)
(Unaudited)

	Number of shares		Amount						
			FIS Stockholders						
	Common shares	Treasury shares	Common stock	Additional paid in capital	Retained earnings	Accumulated other comprehensive earnings (loss)	Treasury stock	Noncontrolling interest	Total equity
Balances, June 30, 2019	433	(109)	$ 4	$ 10,887	$ 4,599	$ (438)	$ (5,067)	$ 7	$ 9,992
Worldpay acquisition	180	109	2	34,040	—	—	5,042	11	39,095
Issuance of restricted stock	1	—	—	—	—	—	2	—	2
Exercise of stock options	1	—	—	42	—	—	3	—	45
Treasury shares held for taxes due upon exercise of stock options	—	—	—	(1)	—	—	(1)	—	(2)
Stock-based compensation	—	—	—	95	—	—	—	—	95
Cash dividends declared ($0.35 per share per quarter) and other distributions	—	—	—	—	(215)	—	—	(3)	(218)
Net earnings	—	—	—	—	154	—	—	2	156
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	47	—	—	47
Balances, September 30, 2019	615	—	$ 6	$ 45,063	$ 4,538	$ (391)	$ (21)	$ 17	$ 49,212

	Number of shares		Amount						
			FIS Stockholders						
	Common shares	Treasury shares	Common stock	Additional paid in capital	Retained earnings	Accumulated other comprehensive earnings (loss)	Treasury stock	Noncontrolling interest	Total equity
Balances, December 31, 2018	433	(106)	$ 4	$ 10,800	$ 4,528	$ (430)	$ (4,687)	$ 7	$ 10,222
Worldpay acquisition	180	109	2	34,040	—	—	5,042	11	39,095
Issuance of restricted stock	1	—	—	—	—	—	2	—	2
Exercise of stock options	1	1	—	86	—	—	46	—	132
Treasury shares held for taxes due upon exercise of stock options	—	—	—	(1)	—	—	(24)	—	(25)
Purchases of treasury stock	—	(4)	—	—	—	—	(400)	1	(399)
Stock-based compensation	—	—	—	138	—	—	—	—	138
Cash dividends declared ($0.35 per share per quarter) and other distributions	—	—	—	—	(441)	—	—	(5)	(446)
Other	—	—	—	—	(5)	—	—	—	(5)
Net earnings	—	—	—	—	456	—	—	3	459
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	39	—	—	39
Balances, September 30, 2019	615	—	$ 6	$ 45,063	$ 4,538	$ (391)	$ (21)	$ 17	$ 49,212

See accompanying notes to unaudited condensed consolidated financial statements.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Cash flows from operating activities:		
Net earnings	$ 61	$ 459
Adjustment to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	2,760	1,488
Amortization of debt issue costs	24	17
Acquisition-related financing foreign exchange	—	(112)
Asset impairments	—	87
Loss (gain) on sale of businesses, investments and other	3	18
Stock-based compensation	182	138
Deferred income taxes	(24)	(75)
Net changes in assets and liabilities, net of effects from acquisitions and foreign currency:		
Trade and other receivables	78	12
Contract assets	(41)	(14)
Settlement activity	594	165
Prepaid expenses and other assets	(128)	(2)
Deferred contract costs	(354)	(258)
Deferred revenue	(50)	(51)
Accounts payable, accrued liabilities and other liabilities	(81)	(131)
Net cash provided by operating activities	3,024	1,741
Cash flows from investing activities:		
Additions to property and equipment	(186)	(135)
Additions to software	(652)	(409)
Acquisitions, net of cash acquired	(469)	(6,629)
Net proceeds from sale of businesses and investments	—	49
Other investing activities, net	92	(43)
Net cash provided by (used in) investing activities	(1,215)	(7,167)
Cash flows from financing activities:		
Borrowings	37,125	25,425
Repayment of borrowings and other financing obligations	(37,646)	(15,997)
Debt issuance costs	—	(71)
Proceeds from stock issued under stock-based compensation plans	302	136
Treasury stock activity	(102)	(422)
Dividends paid	(650)	(441)
Other financing activities, net	(222)	(39)
Net cash provided by (used in) financing activities	(1,193)	8,591
Effect of foreign currency exchange rate changes on cash	8	(38)
Net increase (decrease) in cash and cash equivalents	624	3,127
Cash and cash equivalents, beginning of period	3,211	703
Cash and cash equivalents, end of period	$ 3,835	$ 3,830
Supplemental cash flow information:		
Cash paid for interest	$ 305	$ 208
Cash paid for income taxes	$ 163	$ 273

See accompanying notes to unaudited condensed consolidated financial statements.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Unless stated otherwise or the context otherwise requires, all references to "FIS," "we," the "Company" or the "registrant" are to Fidelity National Information Services, Inc., a Georgia corporation, and its subsidiaries.

(1) Basis of Presentation

The unaudited financial information included in this report includes the accounts of FIS and its subsidiaries prepared in accordance with U.S. generally accepted accounting principles and the instructions to Form 10-Q and Article 10 of Regulation S-X. All adjustments considered necessary for a fair presentation have been included. This report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

The preparation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported periods. The inputs into management's critical and significant accounting estimates consider the economic impact of the outbreak of the novel coronavirus ("COVID-19") and the subsequently declared COVID-19 pandemic ("the pandemic") by the World Health Organization on March 11, 2020. The extent to which the pandemic further affects our results of operations and financial position will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and spread of the pandemic, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Accordingly, our future results could be materially affected by changes in our estimates.

Certain reclassifications have been made in the 2019 consolidated financial statements to conform to the classifications used in 2020. Amounts in tables in the financial statements and accompanying footnotes may not sum due to rounding.

On July 31, 2019, FIS completed the acquisition of Worldpay, and Worldpay's results of operations and financial position are included in the consolidated financial statements from and after the date of acquisition. See Note 3 for additional discussion.

FIS reports its financial performance based on the following segments: Merchant Solutions, Banking Solutions, Capital Market Solutions, and Corporate and Other. As FIS continues to execute on its integration workflows and optimize its portfolio of assets, it reclassified certain non-strategic businesses from the Merchant Solutions and Banking Solutions segments into the Corporate and Other segment in the quarter ended March 31, 2020, and recast all prior-period segment information presented. These operations represented less than 2% of third quarter and year-to-date 2020 revenue. See Note 12 for a summary of each segment.

(2) Summary of Significant Accounting Policies

Change in Accounting Policy

The Company adopted FASB Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments - Credit Losses* ("Topic 326"), with an adoption date of January 1, 2020. As a result, the Company changed its accounting policy for allowance for credit losses. The accounting policy pursuant to Topic 326 for credit losses is disclosed below. The adoption of Topic 326 resulted in an immaterial cumulative effect adjustment recorded in retained earnings as of January 1, 2020.

Allowance for Credit Losses

The Company monitors trade receivable balances including contract assets as well as other receivables and estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including those related to current market conditions and events. The allowance for credit losses is separate from the chargeback liability described in Note 9.

While the COVID-19 pandemic did not result in a significant increase in the Company's expected credit loss allowance recorded as of September 30, 2020, it is reasonably possible that future developments related to the economic impact of the COVID-19 pandemic could have a material impact on management's estimates.

(3) Acquisitions

Worldpay Acquisition

On July 31, 2019, FIS completed the acquisition of Worldpay by acquiring 100 percent of Worldpay's equity. The Worldpay acquisition brought an integrated technology platform with a comprehensive suite of products and services serving merchants and financial institutions and provided FIS with enhanced global payment capabilities, robust risk and fraud solutions and advanced data analytics.

The total purchase price was as follows (in millions):

Cash consideration	$	3,423
Value of FIS share consideration		38,635
Pay-off of Worldpay long-term debt not contractually assumed		5,738
Value of outstanding converted equity awards attributed to services already rendered		449
Total purchase price	$	48,245

The acquisition was accounted for as a business combination under FASB ASC Topic 805, *Business Combinations* ("Topic 805"). We recorded an allocation of the purchase price to Worldpay tangible and identifiable intangible assets acquired and liabilities assumed based on their fair values as of July 31, 2019. The amounts for intangible assets were based on third-party valuations performed. Goodwill was recorded as the residual amount by which the purchase price exceeded the fair value of the net assets acquired. Goodwill consists primarily of expected synergies of combining operations, the acquired workforce, and growth opportunities, none of which qualify as separately identifiable intangible assets. The Company completed its assessment of the fair value of assets acquired and liabilities assumed within the one-year period from the date of acquisition. The Company recorded measurement period adjustments due to additional information received primarily related to contingencies and income taxes, resulting in a decrease in the value assigned to goodwill. There was no material impact on earnings as a result of the measurement period adjustments recorded.

The final purchase price allocation is as follows (in millions):

Cash acquired	$	305
Settlement deposits and merchant float (1)		2,444
Trade receivables		1,594
Goodwill		38,057
Intangible assets		13,682
Computer software		1,297
Other noncurrent assets (2)		1,641
Accounts payable, accrued and other liabilities		(1,021)
Settlement payables		(3,167)
Deferred income taxes		(2,860)
Long-term debt, subsequently repaid		(1,805)
Other liabilities and noncontrolling interest (3)		(1,922)
Total purchase price	$	48,245

(1) Includes $1,693 million of merchant float.
(2) Includes $534 million of other restricted cash.
(3) Includes $542 million of noncurrent tax receivable agreement liability (see Note 9) and $875 million contingent value rights liability (see Note 5).

The gross contractual amount of trade receivables acquired was approximately $1,646 million. The difference between that total and the amount reflected above represents our best estimate at the acquisition date of the contractual cash flows not expected to be collected. This difference was derived using Worldpay's historical bad debts, sales allowances and collection trends.

Intangible assets primarily consist of software, customer relationship assets and trademarks with weighted average estimated useful lives of seven years, ten years and five years, respectively, and fair value amounts assigned of $1,297 million, $13,272 million and $410 million, respectively.

See Note 9 for acquired contingencies resulting from the Worldpay acquisition.

Unaudited Supplemental Pro Forma Results Giving Effect to the Worldpay Acquisition

Worldpay's revenues and pre-tax loss of $734 million and $162 million, respectively, which include the impact of purchase accounting adjustments, are included in the consolidated statements of earnings for the period from July 31, 2019, through September 30, 2019.

Pursuant to ASC 805, unaudited supplemental pro forma results of operations for the three and nine months ended September 30, 2019, assuming the acquisition had occurred as of January 1, 2018, are presented below (in millions, except per share amounts):

	September 30, 2019	
	Three months ended	Nine months ended
Revenue	$ 3,154	$ 9,380
Net earnings (loss) attributable to FIS common stockholders	$ 215	$ 348
Net earnings (loss) per share-basic attributable to FIS common stockholders	$ 0.35	$ 0.57
Net earnings (loss) per share-diluted attributable to FIS common stockholders	$ 0.35	$ 0.56

The unaudited pro forma results include certain pro forma adjustments to revenue and net earnings that were directly attributable to the acquisition, assuming the acquisition had occurred on January 1, 2018, including the following:

- additional amortization expense that would have been recognized relating to the acquired intangible assets;
- adjustment to interest expense to reflect the removal of Worldpay debt and the addition of borrowings of FIS in conjunction with the acquisition; and
- a reduction in expenses for the three and nine months ended September 30, 2019, of $149 million and $210 million, respectively, for acquisition-related transaction costs and other one-time non-recurring costs.

Virtus Acquisition

On January 2, 2020, FIS acquired a majority interest in Virtus Partners ("Virtus"), previously a privately held company that provides high-value managed services and technology to the credit and loan market. FIS acquired a 70% voting and financial interest in Virtus with 30% interest retained by the founders of Virtus ("Founders"). The acquisition was accounted for as a business combination under Topic 805. We recorded a provisional allocation of the $404 million cash purchase price and the $173 million fair value of redeemable noncontrolling interest to tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values, consisting primarily of $254 million in customer relationships and $51 million in software assets. We also recorded $245 million in goodwill for the residual amount by which the purchase price exceeded the provisional fair value of the net assets acquired. Our purchase price allocation is provisional as of September 30, 2020, and we expect to finalize as soon as practicable, but no later than one year from the acquisition date.

We recorded the 30% interest retained by the Founders at the acquisition date as redeemable noncontrolling interest, which is reflected outside of stockholders' equity on the consolidated balance sheet, given the agreement between FIS and the Founders that provides FIS with a call option and the Founders with a put option requiring FIS to purchase all of the Founders' retained interest in Virtus at a redemption value determined pursuant to the agreement. The call option and put option are exercisable at any time after two years and three years, respectively, following the acquisition date. Changes in the estimated redemption value are accreted through equity from the acquisition date to the date the call option becomes exercisable, to the extent the estimated redemption value is greater than the initial redeemable noncontrolling interest value recorded, as adjusted for the Founders' share of the cumulative impact of net earnings (loss).

(4) Revenue

Disaggregation of Revenue

In the following tables, revenue is disaggregated by primary geographical market and type of revenue. The tables also include a reconciliation of the disaggregated revenue with the Company's reportable segments. Prior-period amounts have been reclassified to conform to the new reportable segment presentation as discussed in Note 12.

For the three months ended September 30, 2020 (in millions):

	Reportable Segments				
	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Primary Geographical Markets:					
North America	$ 747	$ 1,281	$ 382	$ 35	$ 2,445
All others	270	226	244	12	752
Total	$ 1,017	$ 1,507	$ 626	$ 47	$ 3,197
Type of Revenue:					
Recurring revenue:					
Transaction processing and services	$ 996	$ 1,146	$ 305	$ 41	$ 2,488
Software maintenance	1	88	124	—	213
Other recurring	19	45	25	—	89
Total recurring	1,016	1,279	454	41	2,790
Software license	—	15	64	—	79
Professional services	—	153	108	1	262
Other non-recurring fees	1	60	—	5	66
Total	$ 1,017	$ 1,507	$ 626	$ 47	$ 3,197

For the three months ended September 30, 2019 (in millions):

	Reportable Segments				
	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Primary Geographical Markets:					
North America	$ 501	$ 1,216	$ 378	$ 48	$ 2,143
All others	204	227	233	15	679
Total	$ 705	$ 1,443	$ 611	$ 63	$ 2,822
Type of Revenue:					
Recurring revenue:					
Transaction processing and services	$ 690	$ 1,052	$ 278	$ 57	$ 2,077
Software maintenance	1	91	121	—	213
Other recurring	11	44	27	—	82
Total recurring	702	1,187	426	57	2,372
Software license	1	53	82	—	136
Professional services	—	147	103	1	251
Other non-recurring fees	2	56	—	5	63
Total	$ 705	$ 1,443	$ 611	$ 63	$ 2,822

For the nine months ended September 30, 2020 (in millions):

	Reportable Segments				
	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Primary Geographical Markets:					
North America	$ 2,011	$ 3,789	$ 1,176	$ 110	$ 7,086
All others	753	658	710	29	2,150
Total	$ 2,764	$ 4,447	$ 1,886	$ 139	$ 9,236
Type of Revenue:					
Recurring revenue:					
Transaction processing and services	$ 2,697	$ 3,334	$ 922	$ 125	$ 7,078
Software maintenance	2	263	368	1	634
Other recurring	58	131	75	—	264
Total recurring	2,757	3,728	1,365	126	7,976
Software license	2	48	206	—	256
Professional services	1	441	314	3	759
Other non-recurring fees	4	230	1	10	245
Total	$ 2,764	$ 4,447	$ 1,886	$ 139	$ 9,236

For the nine months ended September 30, 2019 (in millions):

	Reportable Segments				
	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Primary Geographical Markets:					
North America	$ 648	$ 3,472	$ 1,112	$ 143	$ 5,375
All others	204	701	666	45	1,616
Total	$ 852	$ 4,173	$ 1,778	$ 188	$ 6,991
Type of Revenue:					
Recurring revenue:					
Transaction processing and services	$ 829	$ 3,030	$ 824	$ 169	$ 4,852
Software maintenance	1	271	361	—	633
Other recurring	12	133	80	—	225
Total recurring	842	3,434	1,265	169	5,710
Software license	7	112	214	—	333
Professional services	—	439	299	4	742
Other non-recurring fees	3	188	—	15	206
Total	$ 852	$ 4,173	$ 1,778	$ 188	$ 6,991

Contract Balances

The Company recognized revenue of $216 million and $128 million during the three months and $660 million and $636 million during the nine months ended September 30, 2020 and 2019, respectively, that was included in the corresponding deferred revenue balance at the beginning of the periods.

Transaction Price Allocated to the Remaining Performance Obligations

As of September 30, 2020, approximately $21 billion of revenue is estimated to be recognized in the future primarily from the Banking Solutions and Capital Market Solutions segments' remaining unfulfilled performance obligations, which are primarily comprised of recurring account- and volume-based processing services. This excludes the amount of anticipated recurring renewals not yet contractually obligated. The Company expects to recognize approximately 35% of the Banking Solutions and Capital Market Solutions segments' remaining performance obligations over the next 12 months, approximately another 20% over the next 13 to 24 months, and the balance thereafter.

As permitted by ASC 606, *Revenue from Contracts with Customers*, the Company has elected to exclude from this disclosure an estimate for the Merchant Solutions segment, which is primarily comprised of contracts with an original duration of one year or less or variable consideration that meet specific criteria. This segment's core performance obligations consist of variable consideration under a stand-ready series of distinct days of service, and revenue from the segment's products and service arrangements are generally billed and recognized as the services are performed. The aggregate fixed consideration portion of customer contracts with an initial contract duration greater than one year is not material.

(5) Condensed Consolidated Financial Statement Details

Cash and Cash Equivalents

The Company includes restricted cash in the Cash and cash equivalents balance reported in the consolidated statements of cash flows. The reconciliation between Cash and cash equivalents in the consolidated balance sheets and the consolidated statements of cash flows is as follows (in millions):

	September 30, 2020	December 31, 2019
Cash and cash equivalents on the consolidated balance sheets	$ 1,826	$ 1,152
Merchant float restricted cash (in Settlement deposits and merchant float)	2,009	1,519
Other restricted cash (in Other noncurrent assets) (1)	—	540
Total Cash and cash equivalents per the consolidated statements of cash flows	$ 3,835	$ 3,211

(1) See Visa Europe and Contingent Value Rights discussion below.

Property and Equipment, Intangible Assets and Computer Software

The following table shows the Company's consolidated financial statement details as of September 30, 2020, and December 31, 2019 (in millions):

	September 30, 2020			December 31, 2019		
	Cost	Accumulated depreciation and amortization	Net	Cost	Accumulated depreciation and amortization	Net
Property and equipment	$ 2,366	$ 1,452	$ 914	$ 2,177	$ 1,277	$ 900
Intangible assets	$ 18,791	$ 4,567	$ 14,224	$ 18,564	$ 2,766	$ 15,798
Software	$ 5,308	$ 2,007	$ 3,301	$ 4,820	$ 1,616	$ 3,204

As of September 30, 2020, intangible assets, net of amortization, includes $13,840 million of customer relationships and other amortizable intangible assets, $341 million of finite-lived trademarks, as well as $43 million of non-amortizable indefinite-lived trademarks. Amortization expense with respect to these intangible assets was $602 million and $481 million for the three months and $1,794 million and $794 million for the nine months ended September 30, 2020 and 2019, respectively.

Goodwill

Changes in goodwill during the nine months ended September 30, 2020, are summarized below (in millions). Prior-period amounts have been reclassified to conform to the new reportable segment presentation as discussed in Note 12.

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate And Other	Total
Balance, December 31, 2019	$ 35,543	$ 12,225	$ 4,382	$ 92	$ 52,242
Goodwill attributable to acquisitions	(11)	57	245	—	291
Foreign currency adjustments	16	(21)	39	—	34
Balance, September 30, 2020	$ 35,548	$ 12,261	$ 4,666	$ 92	$ 52,567

We assess goodwill for impairment on an annual basis during the fourth quarter or more frequently if circumstances indicate potential impairment. We concluded as a result of our fourth quarter 2019 step zero annual impairment tests that it remained more likely than not that the fair value of each of our reporting units continued to exceed their carrying amounts. Due to the economic impact of the COVID-19 pandemic, we evaluated if events and circumstances as of September 30, 2020, indicated potential impairment. We performed a qualitative assessment by examining factors most likely to affect our valuations and considered the impact to our business from the COVID-19 pandemic. The factors examined involve significant use of management judgment and included, among others, (1) forecasted revenue, growth rates, operating margins, and capital expenditures used to calculate estimated future cash flows, (2) future economic and market conditions and (3) FIS' market capitalization.

Based on our interim impairment assessment as of September 30, 2020, we concluded that it remained more likely than not that the fair value of each of our reporting units continued to exceed their carrying amounts; therefore, goodwill was not impaired. However, it is reasonably possible that future developments related to the economic impact of the COVID-19 pandemic on our Merchant Solutions business, such as an extended duration of the pandemic and/or government-imposed shutdowns, prolonged economic downturn or recession, or lack of governmental support for recovery, could have a material impact on one or more of the estimates and assumptions used to evaluate goodwill impairment and could result in future goodwill impairment.

Visa Europe and Contingent Value Rights

As part of the Worldpay acquisition, the Company acquired certain assets and liabilities related to the June 2016 Worldpay Group plc (Legacy Worldpay) disposal of its ownership interest in Visa Europe to Visa Inc. As part of the disposal, Legacy Worldpay received proceeds from Visa Inc. in the form of cash ("cash consideration") and convertible preferred stock ("preferred stock"), the value of which may be reduced by losses incurred relating to ongoing interchange-related litigation involving Visa Europe ("the litigation"). The preferred stock becomes convertible into Visa Inc. Class A common stock ("common stock") in stages based on developments in the litigation and becomes fully convertible no later than 2028 (subject to a holdback to cover any pending claims). Also in connection with the disposal, Legacy Worldpay agreed to pay former Legacy Worldpay owners 90% of the net-of-tax proceeds from the disposal, known as contingent value rights, which is recorded as a liability ("CVR liability") on the consolidated balance sheets, and agreed to segregate the cash consideration to be paid as part of the CVR liability, which was recorded as restricted cash.

On September 17, 2020, the Company executed an amendment ("the amendment") with the former Legacy Worldpay owners to pay approximately one-third of the cash consideration component of the CVR liability, or $185 million, to the former Legacy Worldpay owners upon amendment execution, and to pay the remaining, approximately two-thirds of the cash consideration on October 12, 2027, subject to reduction due to losses incurred by Visa Inc. relating to the litigation. The partial payment of the cash consideration was recorded as a reduction of the CVR liability and reflected as Other financing activities, net, on the consolidated statement of cash flows for the nine months ended September 30, 2020. The amendment also removed the segregated cash requirement resulting in no restricted cash recorded at September 30, 2020, as compared to $540 million recorded at December 31, 2019, reflected in Other noncurrent assets on the consolidated balance sheet. Additionally, as Visa Inc. releases preferred stock for conversion into common stock, over time and subject to any losses incurred by Visa Inc. relating to the litigation, 90% of the net-of-tax proceeds from the sale of the common stock will be paid to the former Legacy Worldpay owners in accordance with the amendment. A payment was made in the fourth quarter of 2020 related to Visa Inc.'s release of preferred stock in September 2020.

The Company has elected the fair value option under ASC 825, *Financial Instruments* ("ASC 825"), for measuring its preferred stock asset and related CVR liability. The estimated fair value of the preferred stock and related component of the CVR liability are determined using Level 3-type measurements. Significant inputs into the valuation of the preferred stock include the Visa Inc. Class A common stock price per share and the conversion ratio, which are observable, as well as the expected timing of future preferred stock releases for conversion into common stock and an estimate of the potential losses that will result from the ongoing litigation involving Visa Europe, which are unobservable. The fair value of the preferred stock was $593 million at September 30, 2020, with $540 million recorded as Prepaid expenses and other current assets for the preferred stock that has been released to date and $53 million recorded as Other noncurrent assets for the remaining preferred stock. The fair value of the preferred stock was $400 million at December 31, 2019, recorded in Other noncurrent assets.

The Company also records the cash consideration component of the CVR liability at fair value under ASC 825. As a result of the amendment, the estimated fair value of the cash consideration component of the CVR liability is determined using Level 3-type measurements, including a discount rate based on the bond yield for the Company's credit rating and remaining payment term as the significant unobservable input. The fair value of the CVR liability was $779 million at September 30, 2020, with $394 million recorded as Accounts payable, accrued and other liabilities for the preferred stock that has been released to date and $385 million recorded as Other noncurrent liabilities for the remaining preferred stock and cash consideration components. The fair value of the CVR liability was $838 million at December 31, 2019, recorded in Other noncurrent liabilities on the consolidated balance sheet.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Pursuant to ASC 825, the Company remeasures the fair value of the preferred stock and CVR liability each reporting period. The net change in fair value was $48 million and $74 million during the three and nine months ended September 30, 2020, respectively, recorded in Other income (expense), net on the consolidated statements of earnings.

(6) Deferred Contract Costs

Origination and fulfillment costs from contracts with customers capitalized as of September 30, 2020, and December 31, 2019, consist of the following (in millions):

	September 30, 2020	December 31, 2019
Contract costs on implementations in progress	$ 187	$ 138
Contract origination costs on completed implementations, net	472	352
Contract fulfillment costs on completed implementations, net	192	177
Total Deferred contract costs, net	$ 851	$ 667

Amortization of deferred contract costs on completed implementations was $56 million and $48 million during the three months and $162 million and $136 million during the nine months ended September 30, 2020 and 2019, respectively, and there were no significant impairment losses in relation to the costs capitalized for the periods presented.

(7) Debt

Long-term debt as of September 30, 2020, and December 31, 2019, consists of the following (in millions):

	September 30, 2020				
	Interest Rates	Weighted Average Interest Rate	Maturities	September 30, 2020	December 31, 2019
Fixed Rate Notes					
Senior USD Notes	3.0% - 5.0%	3.8%	2023 - 2048	$ 4,938	$ 4,938
Senior Euro Notes	0.1% - 3.0%	1.0%	2021 - 2039	9,086	8,694
Senior GBP Notes	1.7% - 3.4%	2.7%	2022 - 2031	2,380	2,440
Senior Euro Floating Rate Notes		0.0%	2021	586	561
Revolving Credit Facility (1)		—%	2023	—	600
Other				55	136
Total long-term debt, including current portion				17,045	17,369
Current portion of long-term debt				(1,832)	(140)
Long-term debt, excluding current portion				$ 15,213	$ 17,229

(1) Interest on the Revolving Credit Facility is generally payable at LIBOR plus an applicable margin of up to 1.625% plus an unused commitment fee of up to 0.225%, each based upon the Company's corporate credit ratings. The weighted average interest rate on the Revolving Credit Facility excludes fees.

Short-term borrowings as of September 30, 2020, and December 31, 2019, consists of the following (in millions):

	September 30, 2020			
	Weighted Average Interest Rate	Maturities	September 30, 2020	December 31, 2019
Euro-commercial paper notes ("ECP Notes")	(0.1)%	Up to 183 days	$ 3,097	$ 2,523
U.S. commercial paper notes ("USCP Notes")	— %	Up to 397 days	—	200
Other			47	100
Total Short-term borrowings			$ 3,144	$ 2,823

As of September 30, 2020, the weighted-average interest rate of the Company's outstanding debt was 1.6%, including the impact of interest rate swaps (see Note 8).

The following summarizes the aggregate maturities of our long-term debt, including other financing obligations for certain hardware and software, based on stated contractual maturities, excluding the fair value of the interest rate swap discussed below and net unamortized non-cash bond premiums and discounts of $24 million, as of September 30, 2020 (in millions):

	Total
2020 remaining period	$ 19
2021	1,834
2022	1,595
2023	2,189
2024	993
Thereafter	10,534
Total principal payments	17,164
Debt issuance costs, net of accumulated amortization	(95)
Total long-term debt	$ 17,069

There are no mandatory principal payments on the Revolving Credit Facility, and any balance outstanding on the Revolving Credit Facility will be due and payable at its scheduled maturity date, which occurs at September 21, 2023.

Revolving Credit Facility

As of September 30, 2020, the borrowing capacity remaining under the Revolving Credit Facility was $2,401 million (net of $3,097 million of capacity backstopping our commercial paper notes and $2 million in outstanding letters of credit issued under the Revolving Credit Facility).

Fair Value of Debt

The fair value of the Company's long-term debt using Level 2-type measurements is estimated to be approximately $1,422 million and $900 million higher than the carrying value, excluding the fair value of the interest rate swap and unamortized discounts, at September 30, 2020, and December 31, 2019, respectively.

(8) Financial Instruments

Fair Value Hedge

The Company holds an interest rate swap with a €500 million notional value converting the interest rate exposure on the Company's Senior Euro Notes due 2024 from fixed to variable. This swap is designated as a fair value hedge for accounting purposes with an asset fair value of $15 million and $10 million at September 30, 2020, and December 31, 2019, respectively, reflected as an increase in the hedged debt balance (see Note 7).

Net Investment Hedges

The purpose of the Company's net investment hedges, as discussed below, is to reduce the volatility of FIS' net investment value in its Euro- and Pound Sterling-denominated operations due to changes in foreign currency exchange rates.

The Company recorded net investment hedge aggregate gain (loss), net of tax, for the change in fair value as Foreign currency translation adjustments, within Other comprehensive earnings (loss), net of tax on the consolidated statements of comprehensive earnings of $(597) million and $185 million during the three months and $(263) million and $198 million, during the nine months ended September 30, 2020 and 2019, respectively. No ineffectiveness has been recorded on the net investment hedges.

Foreign Currency-Denominated Debt Designations

The Company designates certain foreign currency-denominated debt as net investment hedges of its investment in Euro- and Pound Sterling-denominated operations. As of September 30, 2020, an aggregate €10,904 million was designated as a net investment hedge of the Company's investment in Euro-denominated operations related to the Senior Euro Floating Rate Notes, Senior Euro Notes with maturities ranging from 2021 to 2039 and ECP Notes, and an aggregate £1,850 million was designated as a net investment hedge of the Company's Pound Sterling-denominated operations related to the Senior GBP Notes with maturities ranging from 2022 to 2031.

Cross-Currency Interest Rate Swap Designations

The Company holds cross-currency interest rate swaps and designates them as net investment hedges of its investment in Euro- and Pound Sterling-denominated operations.

As of September 30, 2020, an aggregate notional amount of €2,006 million was designated as a net investment hedge of the Company's investment in Euro-denominated operations, and an aggregate notional amount of £556 million was designated as a net investment hedge of the Company's Pound Sterling-denominated operations. The fair value of the cross-currency interest rate swaps was a net $76 million and $167 million liability at September 30, 2020, and December 31, 2019, respectively.

(9) Commitments and Contingencies

Reliance Trust Claims

Reliance Trust Company ("Reliance"), the Company's subsidiary, is a defendant in a class action arising out of its provision of services as the discretionary trustee for a 401(k) Plan (the "Plan") for one of its customers. On behalf of the Plan participants, plaintiffs in the action, which was filed in December 2015, seek damages and attorneys' fees, as well as equitable relief, against Reliance and the Plan's sponsor and record-keeper for alleged breaches of fiduciary duty under the Employee Retirement Income Security Act of 1974 ("ERISA"). At a non-jury trial conducted in March 2020, Reliance vigorously defended the action and contended that no breaches of fiduciary duty or prohibited transactions occurred and that Plan participants suffered no damages. At trial, Plaintiffs claimed damages of approximately $127 million against all defendants. On October 12, 2020, Reliance and plaintiffs entered into a settlement agreement, which is subject to final court approval, to settle all allegations and claims asserted in the action for $39.8 million without equitable relief. On October 14, 2020, the Court preliminarily approved the settlement agreement. In the settlement agreement, Reliance admitted no wrongdoing or liability with respect to any of the allegations or claims and maintains that the Plan was managed, operated, and administered during its tenure as the Plan's discretionary trustee in full compliance with ERISA and applicable regulations. Upon final court approval, all allegations and claims will be settled and released with prejudice. The Company recorded a liability for the agreed settlement amount of $39.8 million and a corresponding loss in Other income (expense), net on the consolidated statement of earnings for the three and nine months ended September 30, 2020.

Brazilian Tax Authorities Claims

In 2004, Proservvi Empreendimentos e Servicos, Ltda., the predecessor to Fidelity National Servicos de Tratamento de Documentos e Informatica Ltda. ("Servicos"), a subsidiary of Fidelity National Participacoes Ltda., our former item processing and remittance services operation in Brazil, acquired certain assets and employees and leased certain facilities from the Transpev Group ("Transpev") in Brazil. Transpev's remaining assets were later acquired by Prosegur, an unrelated third party.

When Transpev discontinued its operations after the asset sale to Prosegur, it had unpaid federal taxes and social contributions owing to the Brazilian tax authorities. The Brazilian tax authorities brought a claim against Transpev and beginning in 2012 brought claims against Prosegur and Servicos on the grounds that Prosegur and Servicos were successors in interest to Transpev. To date, the Brazilian tax authorities filed 14 claims against Servicos asserting potential tax liabilities of approximately $11 million. There are potentially 24 additional claims against Transpev/Prosegur for which Servicos is named as a co-defendant or may be named, but for which Servicos has not yet been served. These additional claims amount to approximately $34 million making the total potential exposure for all 38 claims approximately $45 million. We do not believe a liability for these 38 total claims is probable and, therefore, have not recorded a liability for any of these claims.

Acquired Contingencies - Worldpay

The Company assumed in the Worldpay acquisition a Tax Receivable Agreement ("TRA") under which the Company agreed to make payments to Fifth Third Bank ("Fifth Third") of 85% of the federal, state, local and foreign income tax benefits realized by the Company as a result of certain tax deductions. In December 2019, the Company entered into a Tax Receivable Purchase Addendum (the "Amendment") that provides written call and put options (collectively "the options") to terminate certain estimated obligations under the TRA in exchange for fixed cash payments.

The remaining TRA obligations not subject to the Amendment are based on the cash savings realized by the Company by comparing the actual income tax liability of the Company to the amount of such taxes the Company would have been required to pay had there been no deductions related to the tax attributes. Under the TRA, in certain specified circumstances, such as certain changes of control, the Company may be required to make payments in excess of such cash savings.

Obligations recorded in our consolidated financial statements pursuant to the TRA are based on estimates of future deductions and future tax rates and, in the case of the obligations subject to the Amendment, reflect management's expectation that the options will be exercised. In January 2020, the Company exercised its first call option pursuant to the Amendment, which results in fixed cash payments to Fifth Third of $42 million. The timing and/or amount of aggregate payments due under the TRA may vary based on a number of factors, including the exercise of options, the amount and timing of taxable income the Company generates in the future and the tax rate then applicable, the use of loss carryforwards and amortizable basis. Each reporting period, the Company evaluates the assumptions underlying the TRA obligations.

The consolidated balance sheet as of September 30, 2020, includes a total liability of $543 million relating to the TRA. The following table summarizes our estimated payment obligation timing under the TRA as of September 30, 2020 (in millions):

		Payments Due in			
Type of Obligation	**Total**	**2020 Remaining Period**	**1-3 Years**	**3-5 Years**	**More than 5 Years**
Obligations under TRA	$ 543	$ 11	$ 267	$ 252	$ 13

Chargeback Liability

Through services offered in our Merchant Solutions segment, the Company is exposed to potential losses from merchant-related chargebacks. A chargeback occurs when a dispute between a cardholder and a merchant, including a claim for non-delivery of the product or service by the merchant, is not resolved in favor of the merchant and the transaction is charged back to the merchant resulting in a refund of the purchase price to the cardholder. If the Company is unable to collect this chargeback amount from the merchant due to closure, bankruptcy or other reasons, the Company bears the loss for the refund paid to the cardholder. The risk of chargebacks is typically greater for those merchants that promise future delivery of goods and services rather than delivering goods or rendering services at the time of payment. The economic impact of the COVID-19 pandemic has not resulted in material chargeback losses as of September 30, 2020; however, it is reasonably possible that the Company has incurred or may incur significant losses related to future chargebacks. Due to the unprecedented nature of the pandemic and the numerous current and future uncertainties that may impact any potential chargeback losses, and considering that the Company has no historical experience with similar uncertainties, a reasonable estimate of the possible accrual for future chargeback losses or range of losses cannot be made.

Indemnifications and Warranties

The Company generally indemnifies its clients, subject to certain limitations and exceptions, against damages and costs resulting from claims of patent, copyright, or trademark infringement associated solely with its customers' use of the Company's software applications or services. Historically, the Company has not made any material payments under such indemnifications but continues to monitor the conditions that are subject to the indemnifications to identify whether it is probable that a loss has occurred, in which case it would recognize any such losses when they are estimable. In addition, the Company warrants to customers that its software operates substantially in accordance with the software specifications. Historically, no material costs have been incurred related to software warranties, and no accruals for warranty costs have been made.

(10) Related-Party Transactions

The Company holds a noncontrolling ownership stake in Cardinal Holdings ("Cardinal"), which operates the Capco consulting business. FIS' ownership stake in Cardinal at September 30, 2020, and December 31, 2019, was 37%. The ownership stake in Cardinal is recorded as an equity method investment included within Other noncurrent assets on the consolidated balance sheets. The carrying value of this equity method investment at September 30, 2020, and December 31, 2019, was $134 million and $142 million, respectively. FIS provides ongoing management consulting services and other services to Cardinal. Amounts transacted through these agreements were not significant to the 2020 and 2019 periods presented.

(11) Net Earnings per Share

The basic weighted average shares and common stock equivalents for the three and nine months ended September 30, 2020 and 2019, were computed using the treasury stock method.

The following table summarizes net earnings and net earnings per share attributable to FIS common stockholders for the three and nine months ended September 30, 2020 and 2019 (in millions, except per share amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net earnings attributable to FIS common stockholders	$ 20	$ 154	$ 54	$ 456
Weighted average shares outstanding — basic	620	516	618	388
Plus: Common stock equivalent shares	7	8	8	8
Weighted average shares outstanding — diluted	627	524	626	396
Net earnings per share-basic attributable to FIS common stockholders	$ 0.03	$ 0.30	$ 0.09	$ 1.18
Net earnings per share-diluted attributable to FIS common stockholders	$ 0.03	$ 0.29	$ 0.09	$ 1.15

Options to purchase less than 1 million shares of our common stock for the three months and approximately 2 million and 1 million shares for the nine months ended September 30, 2020 and 2019, respectively, were not included in the computation of diluted earnings per share because they were anti-dilutive.

On July 20, 2017, our Board of Directors approved a plan authorizing repurchases of up to $4.0 billion of our outstanding common stock in the open market at prevailing market prices or in privately negotiated transactions through December 31, 2020. This share repurchase authorization replaced any existing share repurchase authorization. Approximately $2.3 billion of plan capacity remained available for repurchases as of September 30, 2020. Management temporarily suspended share repurchases as a result of the Worldpay transaction to accelerate debt repayment.

(12) Segment Information

FIS reports its financial performance based on the following segments: Merchant Solutions, Banking Solutions, Capital Market Solutions, and Corporate and Other. As the Company continues to execute on its integration workflows and optimize its portfolio of assets, the Company reclassified certain non-strategic businesses from the Merchant Solutions and Banking Solutions segments into the Corporate and Other segment in the quarter ended March 31, 2020, and recast all prior-period segment information presented. Below is a summary of each segment.

Merchant Solutions ("Merchant")

The Merchant segment is focused on serving merchants of all sizes globally, enabling them to accept electronic payments, including credit, debit and prepaid payments originated at a physical point of sale, as well as contactless card, mobile wallet, and card-not present payments in eCommerce and mobile environments. Merchant services include all aspects of payment processing, including authorization and settlement, customer service, chargeback and retrieval processing, reporting for electronic payment transactions and network fee and interchange management. Merchant also includes value-added services, such as security and fraud prevention solutions, advanced data analytics and information management solutions, foreign currency management and numerous funding options. Merchant serves clients in over 140 countries. Our Merchant clients are highly-diversified, including non-discretionary everyday spend categories, such as grocery and pharmacy, and include national retailers as well as global enterprises and small- to medium-sized businesses. The Merchant segment utilizes broad and varied distribution channels, including direct sales forces and multiple referral partner relationships that provide us with a growing and diverse client base.

Banking Solutions ("Banking")

The Banking segment is focused on serving all sizes of financial institutions for core processing and ancillary applications solutions; digital solutions; fraud, risk management and compliance solutions; electronic funds transfer and network services solutions; payment solutions; wealth and retirement solutions; item processing and output services solutions and services capitalizing on the continuing trend to outsource these solutions. Clients in this segment include global financial institutions, U.S. regional and community banks, credit unions and commercial lenders, as well as government institutions and other commercial organizations. Banking serves clients in more than 130 countries. Our applications include core processing software, which clients use to maintain the primary records of their customer accounts, and complementary applications and services that interact directly with the core processing applications. We provide our clients integrated solutions characterized by multi-year processing contracts that generate highly recurring revenue. The predictable nature of cash flows generated from the Banking segment provides opportunities for further investments in innovation, integration, information and security, and compliance in a cost-effective manner.

Capital Market Solutions ("Capital Markets")

The Capital Markets segment is focused on serving global financial services clients with a broad array of buy- and sell-side solutions. Clients in this segment operate in more than 100 countries and include asset managers, buy- and sell-side securities brokerage and trading firms, insurers, private equity firms, and other commercial organizations. Our buy- and sell-side solutions include a variety of mission-critical applications for recordkeeping, data and analytics, trading, financing and risk management. Capital Markets clients purchase our solutions and services in various ways including licensing and managing technology "in-house," using consulting and third-party service providers, as well as procuring fully outsourced end-to-end solutions. Our long-established relationships with many of these financial and commercial institutions generate significant recurring revenue. We have made, and continue to make, investments in modern platforms; advanced technologies, such as cloud delivery, open APIs, machine learning and artificial intelligence; and regulatory technology to support our Capital Markets clients.

Corporate and Other

The Corporate and Other segment consists of corporate overhead expense, certain leveraged functions and miscellaneous expenses that are not included in the operating segments, as well as certain non-strategic businesses. The overhead and leveraged costs relate to corporate marketing, corporate finance and accounting, human resources, legal, and amortization of acquisition-related intangibles and other costs, such as acquisition and integration expenses, that are not considered when management evaluates revenue-generating segment performance.

The Company recorded acquisition and integration costs primarily related to the Worldpay acquisition, as well as certain other costs associated with data center consolidation activities totaling \$20 million and \$25 million for the three months ended and \$60 million and \$50 million for the nine months ended September 30, 2020 and 2019, respectively, and incremental charges directly related to COVID-19 of \$41 million and \$56 million for the three and nine months ended September 30, 2020, respectively.

Adjusted EBITDA

Adjusted EBITDA is a measure of segment profit or loss that is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with FASB ASC Topic 280, *Segment Reporting*. Adjusted EBITDA is defined as net earnings (loss) before net interest expense, net other income (expense), income tax provision (benefit), equity method investment earnings (loss), depreciation and amortization, and certain non-operating items. The non-operating items affecting the segment profit measure generally include purchase accounting adjustments as well as acquisition, integration and certain other costs. These costs and adjustments are recorded in the Corporate and Other segment for the periods discussed below. Adjusted EBITDA for the respective segments excludes the foregoing costs and adjustments.

Summarized financial information for the Company's segments is shown in the following tables. The Company does not evaluate performance or allocate resources based on segment asset data; therefore, such information is not presented.

For the three months ended September 30, 2020 (in millions):

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Revenue	$ 1,017	$ 1,507	$ 626	$ 47	$ 3,197
Operating expenses	(604)	(986)	(411)	(965)	(2,966)
Depreciation and amortization (including purchase accounting amortization)	74	132	71	654	931
Acquisition, integration and other costs	—	—	—	195	195
Adjusted EBITDA	$ 487	$ 653	$ 286	$ (69)	$ 1,357
Adjusted EBITDA					$ 1,357
Depreciation and amortization					(238)
Purchase accounting amortization					(693)
Acquisition, integration and other costs					(195)
Interest expense, net					(84)
Other income (expense), net					(4)
(Provision) benefit for income taxes					(121)
Equity method investment earnings (loss)					—
Net earnings attributable to noncontrolling interest					(2)
Net earnings attributable to FIS common stockholders					$ 20
Capital expenditures	$ 92	$ 130	$ 61	$ 10	$ 293

(1) Capital expenditures for the three months ended September 30, 2020, include $21 million in other financing obligations for certain hardware and software.

For the three months ended September 30, 2019 (in millions):

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Revenue	$ 705	$ 1,443	$ 611	$ 63	$ 2,822
Operating expenses	(383)	(943)	(388)	(968)	(2,682)
Depreciation and amortization (including purchase accounting amortization)	43	127	57	525	752
Acquisition, integration and other costs	—	—	—	213	213
Asset impairments	—	—	—	87	87
Adjusted EBITDA	$ 365	$ 627	$ 280	$ (80)	$ 1,192
Adjusted EBITDA					$ 1,192
Depreciation and amortization					(206)
Purchase accounting amortization					(546)
Acquisition, integration and other costs					(213)
Asset impairments					(87)
Interest expense, net					(95)
Other income (expense), net					164
(Provision) benefit for income taxes					(48)
Equity method investment earnings (loss)					(5)
Net earnings attributable to noncontrolling interest					(2)
Net earnings attributable to FIS common stockholders					$ 154
Capital expenditures (1)	$ 47	$ 156	$ 59	$ 21	$ 283

(1) Capital expenditures for the three months ended September 30, 2019, include $24 million in other financing obligations for certain hardware and software.

For the nine months ended September 30, 2020 (in millions):

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Revenue	$ 2,764	$ 4,447	$ 1,886	$ 139	$ 9,236
Operating expenses	(1,747)	(2,963)	(1,236)	(2,905)	(8,851)
Depreciation and amortization (including purchase accounting amortization)	224	392	203	1,941	2,760
Acquisition, integration and other costs	—	—	—	616	616
Adjusted EBITDA	$ 1,241	$ 1,876	$ 853	$ (209)	$ 3,761
Adjusted EBITDA					$ 3,761
Depreciation and amortization					(705)
Purchase accounting amortization					(2,055)
Acquisition, integration and other costs					(616)
Interest expense					(252)
Other income (expense), net					31
(Provision) benefit for income taxes					(94)
Equity method investment earnings (loss)					(9)
Net earnings attributable to noncontrolling interest					(7)
Net earnings attributable to FIS common stockholders					$ 54
Capital expenditures	$ 272	$ 383	$ 165	$ 39	$ 859

(1) Capital expenditures for the nine months ended September 30, 2020, include $21 million in other financing obligations for certain hardware and software.

For the nine months ended September 30, 2019 (in millions):

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Revenue	$ 852	$ 4,173	$ 1,778	$ 188	$ 6,991
Operating expenses	(503)	(2,810)	(1,149)	(1,683)	(6,145)
Depreciation and amortization (including purchase accounting amortization)	48	375	161	904	1,488
Acquisition, integration and other costs	—	—	—	293	293
Asset impairments				87	87
Adjusted EBITDA	$ 397	$ 1,738	$ 790	$ (211)	$ 2,714
Adjusted EBITDA					$ 2,714
Depreciation and amortization					(594)
Purchase accounting amortization					(894)
Acquisition, integration and other costs					(293)
Asset impairments					(87)
Interest expense, net					(242)
Other income (expense), net					(8)
(Provision) benefit for income taxes					(119)
Equity method investment earnings (loss)					(18)
Net earnings attributable to noncontrolling interest					(3)
Net earnings attributable to FIS common stockholders					$ 456
Capital expenditures (1)	$ 50	$ 358	$ 167	$ 28	$ 603

(1) Capital expenditures for the nine months ended September 30, 2019, include $59 million in other financing obligations for certain hardware and software.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless stated otherwise or the context otherwise requires, all references to "FIS," "we," the "Company" or the "registrant" are to Fidelity National Information Services, Inc., a Georgia corporation, and its subsidiaries.

The following discussion should be read in conjunction with Item 1. Condensed Consolidated Financial Statements (Unaudited) and the Notes thereto included elsewhere in this report. The statements contained in this Form 10-Q or in our other documents or in oral presentations or other management statements that are not purely historical are forward-looking statements within the meaning of the U.S. federal securities laws. Statements that are not historical facts, including statements about anticipated financial outcomes, including any earnings guidance or projections of the Company, projected revenue or expense synergies, business and market conditions, outlook, foreign currency exchange rates, deleveraging plans, expected dividends and share repurchases, the Company's sales pipeline and anticipated profitability and growth, as well as other statements about our expectations, beliefs, intentions, or strategies regarding the future, or other characterizations of future events or circumstances, are forward-looking statements. In many cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," or "continue," or the negative of these terms and other comparable terminology. These statements relate to future events and our future results and involve a number of risks and uncertainties. Forward-looking statements are based on management's beliefs as well as assumptions made by, and information currently available to, management.

Actual results, performance or achievement could differ materially from those contained in these forward-looking statements. The risks and uncertainties to which forward-looking statements are subject include the following, without limitation:

- the outbreak or recurrence of the novel coronavirus ("COVID-19") and measures to reduce its spread, including the impact of governmental or voluntary actions such as business shutdowns and stay-at-home orders;
- the duration, including any recurrence, of the COVID-19 pandemic and its impacts, including the general impact of an economic recession, reductions in consumer and business spending, and instability of the financial markets across the globe;
- the economic and other impacts of COVID-19 on our clients which affect the sales of our solutions and services and the implementation of such solutions;
- the risk of losses in the event of defaults by merchants (or other parties) to which we extend credit in our card settlement operations or in respect of any chargeback liability, either of which could adversely impact liquidity and results of operations;
- changes in general economic, business and political conditions, including those resulting from COVID-19 or other pandemics, intensified international hostilities, acts of terrorism, changes in either or both the U.S. and international lending, capital and financial markets and currency fluctuations;
- the risk that the Worldpay transaction will not provide the expected benefits or that we will not be able to achieve the cost or revenue synergies anticipated;
- the risk that the integration of FIS and Worldpay will be more difficult, time-consuming or expensive than anticipated;
- the risk that other acquired businesses will not be integrated successfully or that the integration will be more costly or more time-consuming and complex than anticipated;
- the risk that cost savings and other synergies anticipated to be realized from other acquisitions may not be fully realized or may take longer to realize than expected;
- the risks of doing business internationally;
- the effect of legislative initiatives or proposals, statutory changes, governmental or other applicable regulations and/or changes in industry requirements, including privacy and cybersecurity laws and regulations;
- the risks of reduction in revenue from the elimination of existing and potential customers due to consolidation in, or new laws or regulations affecting, the banking, retail and financial services industries or due to financial failures or other setbacks suffered by firms in those industries;
- changes in the growth rates of the markets for our solutions;
- failures to adapt our solutions to changes in technology or in the marketplace;
- internal or external security breaches of our systems, including those relating to unauthorized access, theft, corruption or loss of personal information and computer viruses and other malware affecting our software or platforms, and the reactions of customers, card associations, government regulators and others to any such events;
- the risk that implementation of software, including software updates, for customers or at customer locations or employee error in monitoring our software and platforms may result in the corruption or loss of data or customer information, interruption of business operations, outages, exposure to liability claims or loss of customers;

- the reaction of current and potential customers to communications from us or regulators regarding information security, risk management, internal audit or other matters;
- the risk that election results in the U.S. may result in additional regulation and additional regulatory and tax costs;
- competitive pressures on pricing related to the decreasing number of community banks in the U.S., the development of new disruptive technologies competing with one or more of our solutions, increasing presence of international competitors in the U.S. market and the entry into the market by global banks and global companies with respect to certain competitive solutions, each of which may have the impact of unbundling individual solutions from a comprehensive suite of solutions we provide to many of our customers;
- the failure to innovate in order to keep up with new emerging technologies, which could impact our solutions and our ability to attract new, or retain existing, customers;
- an operational or natural disaster at one of our major operations centers;
- failure to comply with applicable requirements of payment networks or changes in those requirements;
- fraud by merchants or bad actors; and
- other risks detailed in the Risk Factors and other sections of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, in our Quarterly Reports on Form 10-Q and in our other filings with the Securities and Exchange Commission.

Other unknown or unpredictable factors also could have a material adverse effect on our business, financial condition, results of operations and prospects. Accordingly, readers should not place undue reliance on our forward-looking statements. These forward-looking statements are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Except as required by applicable law or regulation, we do not undertake (and expressly disclaim) any obligation and do not intend to publicly update or review any of our forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our employees are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.

We have grown organically as well as through acquisitions which have contributed critical solutions and services that complement or enhance our existing offerings, diversifying our revenue by customer, geography and service offering. FIS evaluates possible acquisitions that might contribute to our growth or performance on an ongoing basis. We also develop new solutions which enhance our client offerings. Through our acquisition of Worldpay on July 31, 2019, FIS is now a global leader in financial technology solutions and services for merchants, as well as for banks and capital markets. See Note 3 to the consolidated financial statements for additional discussion of the Worldpay acquisition.

FIS reports its financial performance based on the following segments: Merchant Solutions ("Merchant"), Banking Solutions ("Banking"), Capital Market Solutions ("Capital Markets") and Corporate and Other. A description of our segments is included in Note 12 to the consolidated financial statements. Revenue by segment and the Adjusted EBITDA of our segments are discussed below in Segment Results of Operations.

Business Trends and Conditions

Our revenue is primarily derived from a combination of technology and processing services, payment transaction fees, professional services and software license fees. The majority of our revenue has historically been recurring and has been provided under multi-year Banking and Capital Markets contracts that contribute relative stability to our revenue stream. These services, in general, are considered critical to our clients' operations. Although Merchant has a lesser percentage of multi-year contracts, substantially all of its revenue is recurring. A considerable portion of our Merchant recurring revenue, and to a lesser extent a portion of our Banking recurring revenue, is derived from transaction processing fees that fluctuate with the number or value of transactions processed, among other variable measures, associated with consumer, commercial and capital markets activity. Professional services revenue is typically non-recurring, though recognition often occurs over time rather than at a point in time. Sales of software licenses are typically non-recurring with point-in-time recognition and are less predictable.

COVID-19 continued to impact our financial results in the third quarter of 2020. In certain locations, where government lockdowns and shelter-in-place orders have been loosened, consumer spending impacting our Merchant Solutions payments volume and related transaction revenue has partially recovered, while certain verticals like travel, entertainment and hospitality continue to be significantly impacted. The Company's revenue continues to be impacted by reduced payment processing volumes within our Merchant Solutions segment and, to a lesser extent, transaction volume within our Banking Solutions segment, but both have improved in the third quarter of 2020.

We have seen some slowdown in customer decision-making on sales and implementation of our solutions, as well as on software licenses and professional services. These delays, due largely to client caution, have adversely affected our business, results of operations and financial condition in the third quarter of 2020 and could continue, although the magnitude and duration of their ultimate effect is not possible to predict and has not been material to date. We have continued to prioritize investments in solutions that help address the needs of our clients in order to increase the Company's potential to resume strong revenue growth following the pandemic.

In response to COVID-19, we are continuing to take several actions to manage discretionary expenses, including reducing office space, prohibiting most travel and reducing incentive compensation, as well as accelerating automation and functional alignment across the organization. These actions are expected to reduce such expenses by approximately $300 million in 2020. Of this amount, approximately $220 million relates to reducing incentive compensation for 2020, which is not an action we expect to take with respect to 2021 incentive compensation.

Our extension of higher-than-usual levels of credit to our merchant clients as part of funds settlement in connection with payments to their customers, for, among other things, refunds for cancelled trips and events, lessened as the third quarter progressed and government lockdown orders continue to be relaxed or moderated. We are exposed to losses if our merchant customers are unable to repay the credit we have extended or to fund their liability for chargebacks due to closure, insolvency, bankruptcy or other reasons. This increase in extended credit or potential liability for chargebacks did not have a material impact on our liquidity for the three- and nine-month periods ended September 30, 2020, although certain of our merchant clients have ceased doing business, at least for a period of time, and we continue to monitor their impact on our liquidity, results of operations and financial condition.

We continue to assist financial institutions in migrating to outsourced integrated technology solutions to improve their profitability and address increasing and ongoing regulatory requirements. As a provider of outsourcing solutions, we benefit from multi-year recurring revenue streams, which help moderate the effects of broader year-to-year economic and market changes that otherwise might have a larger impact on our results of operations. We believe our integrated solutions and outsourced services are well-positioned to address this outsourcing trend across the markets we serve. However, delays in implementation of our solutions caused by the uncertainty of the COVID-19 pandemic may temporarily slow revenue growth to an extent not yet determined.

Over the last four years, we have moved approximately 73% of our server compute, primarily in North America, to our FIS cloud located in our strategic data centers, and our goal is to increase that percentage to 80% by the end of 2021. This allows us to further enhance security for our clients' data and increases the flexibility and speed with which we can provide services and solutions to our clients, eventually at lesser cost. Concurrently, we have continued to consolidate our data centers, closing seven data centers in 2019 and an additional five data centers during the nine months ended September 30, 2020. Our consolidation has generated a savings for the Company as of the end of the third quarter of 2020 of approximately $230 million in run-rate annual expense reduction since the program's inception in mid-2016. We plan to close and consolidate approximately 8 more data centers by the end of 2021, which should result in additional run-rate annual expense reduction of approximately $20 million.

We continue to invest in modernization, innovation and integrated solutions and services to meet the demands of the markets we serve and compete with global banks, financial and other technology providers, and emerging technology innovators. We invest both organically and through investment opportunities in companies building complementary technologies in the financial services space. Our internal efforts in research and development activities have related primarily to the modernization of our proprietary core systems in each of our segments, design and development of next generation digital and innovative solutions and development of processing systems and related software applications and risk management platforms. We have increased our investments in these areas in each of the last three years. Our innovation efforts have recently resulted in bringing to market our Modern Banking Platform that is among the first cloud-native core banking solutions. We expect to continue our practice of investing an appropriate level of resources to maintain, enhance and extend the functionality of our proprietary systems and existing software applications, to develop new and innovative software applications and systems to address emerging technology trends in response to the needs of our clients and to enhance the capabilities of our outsourcing infrastructure.

FIS continues to carefully monitor the effects of the ongoing COVID-19 pandemic as conditions continue to evolve. Since the beginning of the pandemic, the Company has taken several actions to protect its employees while maintaining business continuity, including implementing its comprehensive Pandemic Plan. The Pandemic Plan includes site-specific plans as well as travel restrictions, medical response protocols, work-from-home strategies and enhanced cleaning within our locations. As a critical infrastructure provider for the global economy, FIS continues to operate around the world to serve our clients.

The spread of COVID-19 has caused us to modify our business practices (including restricting employee travel, developing social distancing plans for our employees and cancelling physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or as we determine are in the best interests of our employees, clients and business partners. Where government lockdowns have prohibited or slowed down certain functions at specific locations, FIS has outfitted employees to provide services from home or transferred work to other locations. Nearly 95% of our employees remain in a work-from-home status and have been effectively outfitted to continue to provide all necessary services to our clients. We will continue this work-from-home status in most locations this year, as the safety of our employees is a top priority. Additionally, for its employees, the Company has expanded sick leave for employees affected by COVID-19, expanded telemedicine internationally, provided special pay for certain employees involved in critical infrastructure who could not work from home, and expanded its FIS Cares program to benefit employees in need around the world.

Consumer preference continues to shift from traditional branch banking services to digital banking solutions, and our clients seek to provide a single integrated banking experience through their branch, mobile, internet and voice banking channels. The COVID-19 pandemic appears to be accelerating digitization of banking and payment services by requiring, in many cases, banks and bank customers to transact through digital channels. We have been providing our large regional banking customers in the U.S. with Digital One, an integrated digital banking platform, and are now adding functionality and offering Digital One to our community bank clients to provide a consistent, omnichannel experience for consumers of banking services across self-service channels like mobile banking and online banking, as well as supporting channels for bank staff operating in bank branches and contact centers. The uniform customer experience extends to support a broad range of financial services including opening new accounts, servicing of existing accounts, providing money movement services, and personal financial management, as well as other consumer, small business and commercial banking capabilities. Digital One is integrated into several of the core banking platforms offered by FIS and is also offered to customers of non-FIS core banking systems.

We anticipate consolidation within the banking industry will continue, primarily in the form of merger and acquisition activity among financial institutions, which we believe as a whole is detrimental to the profitability of the financial technology industry. However, consolidation resulting from specific merger and acquisition transactions may be beneficial to our business. When consolidations of financial institutions occur, merger partners often operate systems obtained from competing service providers. The newly formed entity generally makes a determination to migrate its core and payments systems to a single platform. When a financial institution processing client is involved in a consolidation, we may benefit by their expanding the use of our services if such services are chosen to survive the consolidation and to support the newly combined entity. Conversely, we may lose revenue if we are providing services to both entities, or if a client of ours is involved in a consolidation and our services are not chosen to survive the consolidation and to support the newly combined entity. It is also possible that larger financial institutions resulting from consolidation may have greater leverage in negotiating terms or could decide to perform inhouse some or all of the services that we currently provide or could provide. We seek to mitigate the risks of consolidations by offering other competitive services to take advantage of specific opportunities at the surviving company.

In certain of the international markets in which we do business, we continue to experience growth on a constant currency basis. Demand for our solutions may also continue to be driven in developing countries by government-led financial inclusion policies aiming to reduce the unbanked population and by growth in the middle classes in these markets driving the need for more sophisticated banking solutions. The majority of our international revenue is generated by clients in the U.K., Germany, Brazil, India, Canada and Australia.

As a result of the Worldpay acquisition completed on July 31, 2019, FIS is now a global leader in the merchant solutions industry, with differentiated solutions throughout the payments market, including capabilities in global eCommerce, integrated payments, and enterprise payments and data security solutions in business-to-business ("B2B") payments. These solutions bring together advanced payments technologies at each stage of the transaction life cycle. The Worldpay acquisition broadened our solution portfolio, enabling us to significantly expand our merchant acquiring solutions, including our capabilities in the growing eCommerce and integrated payments segments of the market, which are in demand among our merchant clients as they look for ways to integrate technology into their business models. The combination also favorably impacts our business mix with a greater concentration in higher growth and higher margin services. The Worldpay acquisition significantly increased our revenue as well as our amortization expense for acquired intangibles and our acquisition, integration and other costs. However, due to the COVID-19 pandemic, our merchant processing revenue has been adversely impacted, particularly in the areas of travel, entertainment and hospitality, and we expect revenue will continue to be adversely impacted until the economic effects and government, company, and public travel restrictions due to the pandemic subside around the world.

Following the Worldpay acquisition, we are focused on completing post-merger integration to achieve potential incremental revenue opportunities and expense efficiencies created by the combination of the two companies. We have a history of successfully integrating the operations and technology platforms of acquired companies, including winding down legacy environments and consolidating platforms from other acquisitions into our environment. Based on prior integration experience, we developed integration plans to achieve the potential benefits created by the Worldpay acquisition. As of the end of the third quarter of 2020, our achievement of revenue and expense synergies remain on track to exceed our previously announced targets.

We continue to see demand for innovative solutions in the payments market that will deliver faster, more convenient payment solutions in mobile channels, internet applications and cards. The payment processing industry is adopting new technologies, developing new products and services, evolving new business models and being affected by new market entrants and by an evolving regulatory environment. As merchants and financial institutions respond to these changes by seeking services to help them enhance their own offerings to consumers, including the ability to accept card-not-present ("CNP") payments in eCommerce and mobile environments as well as contactless cards and mobile wallets at the point of sale, FIS believes that payment processors will seek to develop additional capabilities in order to serve clients' evolving needs. To facilitate this expansion, we believe that payment processors will need to enhance their technology platforms so they can deliver these capabilities and differentiate their offerings from other providers. The COVID-19 pandemic appears to be accelerating digitization of payment services by requiring, in many cases, businesses and consumers to transact through digital channels.

We believe that these market changes present both an opportunity and a risk for us, and we cannot predict which emerging technologies or solutions will be successful. However, FIS believes that payment processors, like FIS, that have scalable, integrated business models, provide solutions across the payment processing value chain and utilize broad distribution capabilities will be best positioned to enable emerging alternative electronic payment technologies. Further, FIS believes that its depth of capabilities and breadth of distribution will enhance its position as emerging payment technologies are adopted by merchants and other businesses. FIS' ability to partner with non-financial institution enterprises, such as mobile payment providers and internet, retail and social media companies, could create attractive growth opportunities as these new entrants seek to become more active participants in the development of alternative electronic payment technologies and to facilitate the convergence of retail, online, mobile and social commerce applications.

Globally, attacks on information technology systems continue to grow in frequency, complexity and sophistication. This is a trend we expect to continue. Such attacks have become a point of focus for individuals, businesses and governmental entities. The objectives of these attacks include, among other things, gaining unauthorized access to systems to facilitate financial fraud, disrupt operations, cause denial of service events, corrupt data, and steal non-public information. These circumstances present both a threat and an opportunity for FIS. As part of our business, we electronically receive, process, store and transmit a wide range of confidential information, including sensitive customer information and personal consumer data. We also operate payment, cash access and prepaid card systems.

FIS remains focused on making strategic investments in information security to protect our clients and our information systems. These investments include both capital expenditures and operating expense related to hardware, software, personnel and consulting services. We also participate in industry and governmental initiatives to improve information security for our clients. Through the expertise we have gained with this ongoing focus and involvement, we have developed fraud, security, risk management and compliance solutions to target this growth opportunity in the financial services industry.

Critical Accounting Policies and Estimates

There have been no significant changes to our critical accounting policies as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019. For discussion regarding the impact of the COVID-19 pandemic on our critical and significant accounting estimates subject to risk and uncertainties, see Notes 1, 2, 5 and 9 to the consolidated financial statements.

Transactions with Related Parties

See Note 10 to the consolidated financial statements for a detailed description of transactions with related parties.

Consolidated Results of Operations
(in millions, except per share amounts)

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Revenue	$ 3,197	$ 2,822	$ 9,236	$ 6,991
Cost of revenue	2,104	1,838	6,238	4,623
Gross profit	1,093	984	2,998	2,368
Selling, general and administrative expenses	862	757	2,613	1,435
Asset impairments	—	87	—	87
Operating income	231	140	385	846
Other income (expense):				
Interest expense, net	(84)	(95)	(252)	(242)
Other income (expense), net	(4)	164	31	(8)
Total other income (expense), net	(88)	69	(221)	(250)
Earnings before income taxes and equity method investment earnings (loss)	143	209	164	596
Provision (benefit) for income taxes	121	48	94	119
Equity method investment earnings (loss)	—	(5)	(9)	(18)
Net earnings	22	156	61	459
Net (earnings) loss attributable to noncontrolling interest	(2)	(2)	(7)	(3)
Net earnings attributable to FIS common stockholders	$ 20	$ 154	$ 54	$ 456
Net earnings per share — basic attributable to FIS common stockholders	$ 0.03	$ 0.30	$ 0.09	$ 1.18
Weighted average shares outstanding — basic	620	516	618	388
Net earnings per share — diluted attributable to FIS common stockholders	$ 0.03	$ 0.29	$ 0.09	$ 1.15
Weighted average shares outstanding — diluted	627	524	626	396

Comparisons of three-month and nine-month periods ended September 30, 2020 and 2019

Revenue

Revenue increased $375 million, or 13%, for the three-month period ended September 30, 2020 as compared to 2019 primarily due to incremental revenue from the Worldpay acquisition. Revenue was adversely impacted by reduced payment processing volumes within our Merchant Solutions segment in certain verticals, primarily travel, entertainment and hospitality, and, to a lesser extent, transaction volume within our Banking Solutions segment, each as a result of the COVID-19 pandemic.

Revenue increased $2,245 million, or 32%, for the nine-month period ended September 30, 2020 as compared to 2019 primarily due to incremental revenue from the Worldpay acquisition. Revenue was adversely impacted by reduced payment processing volumes within our Merchant Solutions segment and, to a lesser extent, transaction volume within our Banking Solutions segment, as a result of the COVID-19 pandemic.

See Segment Results of Operations below for more detailed explanation.

Cost of Revenue and Gross Profit

Cost of revenue totaled $2,104 million and $1,838 million for the three-month periods and $6,238 million and $4,623 million for the nine-month periods ended September 30, 2020 and 2019, respectively. Gross profit totaled $1,093 million and $984 million for the three-month periods and $2,998 million and $2,368 million for the nine-month periods ended September 30, 2020 and 2019, respectively. Gross profit as a percentage of revenue ("gross margin") was 34% and 35% for the three-month periods and 32% and 34% for the nine-month periods ended September 30, 2020 and 2019, respectively. The increase in gross profit for 2020 as compared to 2019 primarily resulted from the revenue variances noted above. The decrease in gross margin during the 2020 periods as compared to 2019 primarily resulted from higher acquired intangible asset amortization expense, partially offset by higher margin revenue from the Worldpay acquisition.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $105 million, or 14%, for the three-month period and $1,178 million, or 82%, for the nine-month period ended September 30, 2020 as compared to 2019 primarily due to incremental Worldpay corporate and infrastructure expenses and higher acquisition, integration and other costs during the nine month period of 2020. These expenses were partially offset by lower discretionary spending during the COVID-19 pandemic.

Asset Impairments

During the three months ended September 30, 2019, the Company recorded pre-tax asset impairments totaling $87 million, primarily related to certain computer software resulting from the Company's net realizable value analysis.

Operating Income

Operating income increased $91 million, or 65%, for the three-month period and decreased $461 million, or 54%, for the nine-month period ended September 30, 2020 as compared to 2019, respectively. Operating income as a percentage of revenue ("operating margin") was 7% and 5% for the three-month periods and 4% and 12% for the nine-month periods ended September 30, 2020 and 2019, respectively. The changes in operating income for the three-month and nine-month periods of 2020 as compared to 2019, and the change in operating margin during the 2020 periods as compared to 2019, resulted from the revenue and cost variances noted above.

Total Other Income (Expense), Net

The decrease of $11 million in interest expense, net for the three-month period ended September 30, 2020, as compared to 2019 is primarily due to a lower weighted-average interest rate on the outstanding debt. The increase of $10 million in interest expense, net for the nine-month period ended September 30, 2020 as compared to 2019, is primarily due to higher outstanding debt due to the Worldpay acquisition, mostly offset by a lower weighted-average interest rate on the outstanding debt.

Other income (expense), net decreased $168 million to $4 million expense for the three-month period ended September 30, 2020, as compared to $164 million income for the three-month period ended September 30, 2019. Other income (expense), net increased $39 million to $31 million income for the nine-month period ended September 30, 2020, as compared to $(8) million expense for the nine-month period ended September 30, 2019. Other income (expense), net for the three- and nine-month periods ended September 30, 2020, primarily includes the fair value adjustment on certain assets and liabilities offset by foreign currency transaction remeasurement losses and the pending settlement recorded for the Reliance Trust claims, which is further described in Note 9 to the consolidated financial statements. Other income (expense), net for the three- and nine-month periods ended September 30, 2019, primarily includes acquisition financing costs and the non-cash foreign currency impact of non-hedged Euro- and Pound Sterling-denominated notes issued to finance the Worldpay acquisition, during the period from the date of issue of the notes to the date of the acquisition.

Provision (Benefit) for Income Taxes

Provision (benefit) for income taxes totaled $121 million and $48 million for the three-month periods and $94 million and $119 million for the nine-month periods ended September 30, 2020 and 2019, respectively, resulting in effective tax rates of 85% and 23% for the three-month periods and 57% and 20% for the nine-month periods ended September 30, 2020 and 2019, respectively. The three and nine months ended September 30, 2020, include a one-time net remeasurement of certain deferred tax liabilities due to the increase in the U.K. corporate statutory tax rate from 17% to 19% enacted on July 22, 2020.

Equity Method Investment Earnings (Loss)

FIS holds a 37% ownership stake in Cardinal, as further described in Note 10 to the consolidated financial statements. As a result, we recorded equity method investment losses of $0 million and $5 million for the three-month periods and $9 million and $18 million for the nine-month periods ended September 30, 2020 and 2019, respectively.

Net (Earnings) Loss Attributable to Noncontrolling Interest

Net (earnings) loss attributable to noncontrolling interest includes Virtus operations subsequent to acquisition in January 2020 and totaled \$(2) million and \$(2) million for the three-month periods and \$(7) million and \$(3) million for the nine-month periods ended September 30, 2020 and 2019, respectively.

Net Earnings Attributable to FIS Common Stockholders

Net earnings attributable to FIS common stockholders totaled \$20 million and \$154 million resulting in earnings per diluted share of \$0.03 and \$0.29 for the three-month periods ended September 30, 2020 and 2019, respectively, and \$54 million and \$456 million resulting in earnings per diluted share of \$0.09 and \$1.15 for the nine-month periods ended September 30, 2020 and 2019, respectively. These results reflect the variances described above.

Segment Results of Operations

Adjusted EBITDA is defined as net earnings (loss) before net interest expense, net other income (expense), income tax provision (benefit), equity method investment earnings (loss), depreciation and amortization, and certain non-operating items. This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with FASB ASC Topic 280, *Segment Reporting*. The non-operating items affecting the segment profit measure generally include purchase accounting adjustments and acquisition, integration and certain other costs. These costs and adjustments are recorded in the Corporate and Other segment for the periods discussed below. Adjusted EBITDA for the respective segments excludes the foregoing costs and adjustments. Financial information, including details of Adjusted EBITDA, for each of our segments is set forth in Note 12 to the consolidated financial statements.

As the Company continues to execute on its integration workflows and optimize its portfolio of assets, the Company reclassified certain non-strategic businesses from Merchant and Banking into Corporate and Other in the quarter ended March 31, 2020, and recast all prior-period segment information presented. These operations represented less than 2% of third quarter and year-to-date 2020 revenue. A description of these segments is included in Note 12 to the consolidated financial statements. Revenue by segment and the Adjusted EBITDA of our segments are discussed below in Segment Results of Operations.

Merchant Solutions

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	(In millions)		(In millions)	
Revenue	\$ 1,017	\$ 705	\$ 2,764	\$ 852
Adjusted EBITDA	\$ 487	\$ 365	\$ 1,241	\$ 397

Three months ended September 30:

Revenue increased \$312 million due to incremental revenue from the Worldpay acquisition totaling \$278 million, including a favorable foreign currency impact of \$12 million driven by a weaker U.S. Dollar versus the British Pound Sterling. Revenue was also positively impacted by \$54 million due primarily to the shifted timing of the U.S.tax filing deadline from the second to the third quarter of 2020. Revenue was adversely impacted by declines in payment processing volumes in certain verticals, primarily travel, entertainment and hospitality, as a result of the COVID-19 pandemic.

Adjusted EBITDA increased \$122 million, and adjusted EBITDA margin decreased 390 basis points to 47.9%. The increase in Adjusted EBITDA primarily resulted from the incremental revenue from the Worldpay acquisition. The decrease in adjusted EBITDA margin was primarily due to decreasing volumes of high-margin services as a result of the COVID-19 pandemic.

Nine months ended September 30:

Revenue increased \$1,912 million due to incremental revenue from the Worldpay acquisition totaling \$1,928 million, including a favorable foreign currency impact of \$3 million driven by a weaker U.S. Dollar versus the British Pound Sterling. Revenue was adversely impacted by declines in payment processing volumes as a result of the COVID-19 pandemic.

Adjusted EBITDA increased $844 million, and adjusted EBITDA margin decreased 170 basis points to 44.9%. The increase in Adjusted EBITDA primarily resulted from the incremental revenue from the Worldpay acquisition. The decrease in adjusted EBITDA margin was due to decreasing volumes of high-margin services as a result of the COVID-19 pandemic.

Banking Solutions

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	(In millions)		(In millions)	
Revenue	$ 1,507	$ 1,443	$ 4,447	$ 4,173
Adjusted EBITDA	$ 653	$ 627	$ 1,876	$ 1,738

Three months ended September 30:

Revenue increased $64 million, or 4.4%, primarily due to incremental revenue from the Worldpay acquisition contributing 1.9% and other items contributing an aggregate of 2.9%. Other items in Banking Solutions revenue were positively impacted by increased recurring revenue, including card production and prepaid card services driven by COVID-19 pandemic-related programs, partially offset by lower license revenue. Banking Solutions revenue was also adversely impacted by lower issuer processing due to the COVID-19 pandemic and an unfavorable foreign currency impact to growth contributing (0.5%), or approximately $7 million, primarily driven by a stronger U.S. Dollar versus the Brazilian Real.

Adjusted EBITDA increased $26 million, or 4.1%, and adjusted EBITDA margin decreased 20 basis points to 43.3%, primarily due to COVID-19 pandemic impacts to revenue mix.

Nine months ended September 30:

Revenue increased $274 million, or 6.6%, primarily due to incremental revenue from the Worldpay acquisition contributing 5.1% and other items contributing an aggregate of 3.4%. Other items in Banking Solutions revenue were positively impacted by COVID-19 pandemic-related programs including recurring revenue due to card production and prepaid card services and increased demand for digital banking offerings and non-recurring revenue due to Paycheck Protection Program (“PPP”) loan processing, partially offset by lower license revenue. Banking Solutions revenue was also adversely impacted by lower issuer processing due to the COVID-19 pandemic. These items were partially offset by (1) a decrease in non-recurring revenue from Latin America payments contributing (0.8%); (2) a decrease in termination fees contributing (0.4%); and (3) an unfavorable foreign currency impact to growth contributing (0.8%), or approximately $31 million, primarily driven by a stronger U.S. Dollar versus the Brazilian Real and Indian Rupee.

Adjusted EBITDA increased $138 million, or 7.9%, and adjusted EBITDA margin increased 60 basis points to 42.2%, primarily due to the addition of higher margin revenue from the Worldpay acquisition.

Capital Market Solutions

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	(In millions)		(In millions)	
Revenue	$ 626	$ 611	$ 1,886	$ 1,778
Adjusted EBITDA	$ 286	$ 280	$ 853	$ 790

Three months ended September 30:

Revenue increased $15 million, or 2.5%, primarily due to the purchase of a majority interest in Virtus Partners contributing 3.1% offset by other items contributing an aggregate of (1.5%) mainly driven by timing of software license renewals. Capital Markets had a favorable foreign currency impact to growth contributing 0.7%, or approximately $5 million, primarily driven by a weaker U.S. Dollar versus the British Pound Sterling.

Adjusted EBITDA increased $6 million, or 2.1%, due to the revenue impacts mentioned above. Adjusted EBITDA margin decreased 10 basis points to 45.7% primarily as a result of revenue mix.

Nine months ended September 30:

Revenue increased $108 million, or 6.1%, primarily due to the purchase of a majority interest in Virtus Partners contributing 3.4% and strong managed services growth and trading volumes contributing 2.8%. Capital Markets had an unfavorable foreign currency impact to growth contributing (0.1%), or approximately $2 million, primarily driven by a stronger U.S. Dollar versus the Brazilian Real.

Adjusted EBITDA increased $63 million, or 8.0%, due to the revenue impacts mentioned above. Adjusted EBITDA margin increased 80 basis points to 45.2% primarily due to ongoing expense initiatives and discretionary expense management.

Corporate and Other

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	(In millions)		(In millions)	
Revenue	$ 47	$ 63	$ 139	$ 188
Adjusted EBITDA	$ (69)	$ (80)	$ (209)	$ (211)

The Corporate and Other segment results consist of selling, general and administrative expenses and depreciation and intangible asset amortization not otherwise allocated to the reportable segments. Corporate and Other also includes operations from certain non-strategic businesses.

Three months ended September 30:

Revenue decreased $16 million, or 25.4%, due to client attrition in non-strategic businesses.

Adjusted EBITDA increased $11 million, or 13.8%, primarily due to lower discretionary expenses during the COVID-19 pandemic and operating expense synergy cost actions, partially offset by Adjusted EBITDA decline in non-strategic businesses.

Nine months ended September 30:

Revenue decreased $49 million, or 26.1%, due to client attrition in non-strategic businesses.

Adjusted EBITDA increased $2 million, or 0.9%, primarily due to lower discretionary expenses during the COVID-19 pandemic and operating expense synergy cost actions, partially offset by Adjusted EBITDA decline in non-strategic businesses.

Liquidity and Capital Resources

Cash Requirements

Our ongoing cash requirements include operating expenses, income taxes, tax receivable obligations, mandatory debt service payments, capital expenditures, stockholder dividends, regulatory requirements, working capital and timing differences in settlement-related assets and liabilities, and may include discretionary debt repayments, share repurchases and business acquisitions. Our principal sources of funds are cash generated by operations and borrowings, including the capacity under our Revolving Credit Facility, the U.S. commercial paper program and the Euro-commercial paper program discussed in Note 7 to the consolidated financial statements.

As of September 30, 2020, the Company had $4,227 million of available liquidity, including $1,826 million of cash and cash equivalents and $2,401 million of capacity available under its Revolving Credit Facility. Approximately $1,227 million of cash and cash equivalents is held by our foreign entities. Debt outstanding totaled $20.2 billion with an effective weighted average interest rate of 1.6%. Third quarter net cash provided by operating activities was $1,411 million.

The Company's liquidity continued to improve in the third quarter as compared to the onset of the pandemic as reduced government lockdowns and shelter-in-place orders allowed for an increase in consumer spending, positively affecting our transaction volumes. Additionally, the volume of consumer refunds continued to decline, thereby reducing the higher-than-usual levels of credit that were extended at the onset of the pandemic to our merchant clients as part of the funds settlement process. Our liquidity could be impacted if economic conditions deteriorate or as a result of governmental measures that might be imposed in response to the COVID-19 pandemic.

The Company remains committed to reducing its leverage incurred in the Worldpay acquisition while ensuring ample liquidity and continues to expect to reach its target leverage in 2021.

We expect that cash and cash equivalents plus cash flows from operations over the next 12 months will be sufficient to fund our operating cash requirements, capital expenditures and mandatory debt service.

We currently expect to continue to pay quarterly dividends. The Company paid dividends of $217 million during the quarter. However, the amount, declaration and payment of future dividends is at the discretion of our Board of Directors and depends on, among other things, our investment opportunities, results of operations, financial condition, cash requirements, future prospects, the duration and impact of the COVID-19 pandemic, and other factors that may be considered relevant by our Board of Directors, including legal and contractual restrictions. Additionally, the payment of cash dividends may be limited by covenants in certain debt agreements. A regular quarterly dividend of $0.35 per common share is payable on December 28, 2020, to shareholders of record as of the close of business on December 14, 2020.

On July 20, 2017, our Board of Directors approved a plan authorizing repurchases of up to $4.0 billion of our outstanding common stock in the open market at prevailing market prices or in privately negotiated transactions through December 31, 2020. This share repurchase authorization replaced any existing share repurchase authorization. Approximately $2.3 billion of plan capacity remained available for repurchases as of September 30, 2020. Management temporarily suspended share repurchases as a result of the Worldpay transaction to accelerate debt repayment.

Cash Flows from Operations

Cash flows from operations were $3,024 million and $1,741 million for the nine-month periods ended September 30, 2020 and 2019, respectively. Our net cash provided by operating activities consists primarily of net earnings, adjusted to add back depreciation and amortization. Cash flows from operations were $1,283 million higher in the 2020 period primarily due to increased cash flow due to the Worldpay acquisition, partially offset by lower net earnings from the COVID-19 pandemic and Worldpay integration-related expenses.

Capital Expenditures and Other Investing Activities

Our principal capital expenditures are for software (purchased and internally developed) and additions to property and equipment. We invested approximately $838 million and $544 million in capital expenditures (excluding other financing obligations for certain hardware and software) during the nine-month periods ended September 30, 2020 and 2019, respectively. We expect to continue investing in property and equipment, purchased software and internally developed software to support our core business initiatives.

We used $469 million and $6,629 million of cash (net of cash acquired) during the nine months ended September 30, 2020 and 2019, respectively, primarily for the Virtus and Worldpay acquisitions, respectively. See Note 3 to the consolidated financial statements.

Financing

For more information regarding the Company's debt and financing activity see Note 7 to the consolidated financial statements.

Contractual Obligations

There were no material changes in our contractual obligations through the nine months ended September 30, 2020, in comparison to the table included in our Annual Report on Form 10-K for the year ended December 31, 2019, except as disclosed in Notes 5 and 7 to the consolidated financial statements.

Off-Balance Sheet Arrangements

FIS does not have any off-balance sheet arrangements.

Recent Accounting Pronouncements

Recently Adopted Accounting Guidance

In August 2018, the FASB issued ASU No. 2018-15 ("ASU 2018-15"), *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This ASU clarifies that implementation costs incurred by customers in cloud computing arrangements should be deferred and recognized over the term of the arrangement if those costs would be capitalized by the customer in a software licensing arrangement under the internal-use software guidance. FIS adopted ASU 2018-05 on January 1, 2020, using the prospective approach. The adoption of this new standard did not have a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurements on Credit Losses of Financial Instruments*. This ASU was subsequently amended by ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses* (collectively, "Topic 326"). The primary objectives of Topic 326 are to implement new methodology for calculating credit losses on financial instruments, such as trade receivables, based on lifetime expected credit losses and to broaden the types of information companies must use when calculating the estimated losses. The new guidance also applies to contract assets arising from contracts with customers. FIS adopted Topic 326 on January 1, 2020, using the modified retrospective approach and recorded an immaterial cumulative effect adjustment in retained earnings as of January 1, 2020.

Recently Accounting Guidance Not Yet Adopted

No other new accounting pronouncement issued or effective during the fiscal year had or is expected to have a material impact on our consolidated financial statements or disclosures.

Item 3. Quantitative and Qualitative Disclosure About Market Risks

Market Risk

We are exposed to market risks primarily from changes in interest rates and foreign currency exchange rates. Such risks may be exacerbated by the effects of the COVID-19 pandemic. We periodically use certain derivative financial instruments, including interest rate swaps and foreign currency forward contracts, to manage interest rate and foreign currency risk. We do not use derivatives for trading purposes, to generate income or to engage in speculative activity.

Interest Rate Risk

In addition to existing cash balances and cash provided by operating activities, we use fixed-rate and variable-rate debt to finance our operations. We are exposed to interest rate risk on these debt obligations and related interest rate swaps.

Our fixed rate senior notes (as included in Note 7 to the consolidated financial statements) represent the majority of our fixed-rate long-term debt obligations as of September 30, 2020. The carrying value, excluding the fair value of the interest rate swap described below and unamortized discounts, of our senior notes was $17.0 billion as of September 30, 2020. The fair value of our senior notes was approximately $18.4 billion as of September 30, 2020. The potential reduction in fair value of the senior notes from a hypothetical 10 percent increase in market interest rates would not be material to the overall fair value of the debt.

Our variable-rate risk principally relates to borrowings under our U.S. commercial paper program, Euro-commercial paper program, Revolving Credit Facility, Senior Euro Floating Rate Notes (as included in Note 7 to the consolidated financial statements) and an interest rate swap on our fixed-rate long-term debt. At September 30, 2020, our weighted-average cost of debt was 1.6% with a weighted-average maturity of 5.4 years; 79% of our debt was fixed rate and the remaining 21% of our debt was variable rate. A 100 basis point increase in the weighted-average interest rate on our variable-rate debt would have increased our annual interest expense by $43 million. We performed the foregoing sensitivity analysis based solely on the principal amount of our variable-rate debt as of September 30, 2020. This sensitivity analysis does not take into account any changes that occurred in the prior 12 months or that may take place in the next 12 months in the amount of our outstanding debt. Further, this sensitivity analysis assumes the change in interest rates is applicable for an entire year. For comparison purposes, based on principal amounts of variable-rate debt outstanding as of September 30, 2019, and calculated in the same manner as set forth above, an increase of 100 basis points in the weighted-average interest rate would have increased our annual interest expense by approximately $47 million.

As of September 30, 2020, the following interest rate swap converting the interest rate exposure on our Senior Euro Notes due July 2024 from fixed to variable is outstanding (in millions):

Effective Date	Maturity Date	Notional	Bank pays fixed rate of	FIS pays variable rate of	
December 21, 2018	July 15, 2024	€ 500	1.100 %	3-month Euribor + 0.878%	(1)

(1) 0.443% in effect as of September 30, 2020.

We designated the interest rate swap as a fair value hedge for accounting purposes as described in Note 8 to the consolidated financial statements. A 100 basis point increase in the 3-month Euribor rate would increase our annual interest expense on this swap by approximately $6 million.

Foreign Currency Risk

We are exposed to foreign currency risks that arise from normal business operations. These risks include the translation of local currency balances of foreign subsidiaries, transaction gains and losses associated with intercompany loans with foreign subsidiaries and transactions denominated in currencies other than a location's functional currency. We manage the exposure to these risks through a combination of normal operating activities and the use of foreign currency forward contracts and non-derivative and derivative investment hedges.

Our exposure to foreign currency exchange risks generally arises from our non-U.S. operations, to the extent they are conducted in local currency. Changes in foreign currency exchange rates affect translations of revenue denominated in currencies other than the U.S. Dollar. We generated approximately $612 million and $535 million during the three months and $1,740 million and $1,162 million during the nine months ended September 30, 2020 and 2019, respectively, in revenue denominated in currencies other than the U.S. Dollar. The major currencies to which our revenue is exposed are the British Pound Sterling, Euro, Brazilian Real and Indian Rupee. A 10% movement in average exchange rates for these currencies (assuming a simultaneous and immediate 10% change in all of such rates for the relevant period) would have resulted in the following increase or decrease in our reported revenue for the three and nine months ended September 30, 2020 and 2019 (in millions):

	Three months ended September 30,		Nine months ended September 30,	
Currency	2020	2019	2020	2019
Pound Sterling	$ 35	$ 27	$ 100	$ 44
Euro	8	8	24	22
Real	3	4	9	12
Rupee	3	3	7	9
Total increase or decrease	$ 49	$ 42	$ 140	$ 87

While our results of operations have been impacted by the effects of currency fluctuations, our international operations' revenue and expenses are generally denominated in local currency, which reduces our economic exposure to foreign exchange risk in those jurisdictions.

Our foreign exchange risk management policy permits the use of derivative instruments, such as forward contracts and options, to reduce volatility in our results of operations and/or cash flows resulting from foreign exchange rate fluctuations. We do not enter into foreign currency derivative instruments for trading purposes or to engage in speculative activity. We do periodically enter into foreign currency forward contracts to hedge foreign currency exposure to intercompany loans and other balance sheet items. The Company also utilizes foreign currency-denominated debt and cross-currency interest rate swaps designated as net investment hedges in order to reduce the volatility of the net investment value of certain of its Euro and Pound Sterling functional subsidiaries (see Note 8 to the consolidated financial statements).

Item 4. Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

In the third quarter of 2019, we completed the acquisition of Worldpay (see Note 3 to the consolidated financial statements). We are in the process of integrating Worldpay into our overall internal controls over financial reporting program. Other than this ongoing integration, there have been no changes in our internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Due to the COVID-19 pandemic, a significant portion of our employees are now working from home. We leveraged our established business continuity plans as well as implemented a comprehensive Pandemic Plan in order to mitigate potential impacts to our control environment. Existing technology and procedures allow for the remote operation of controls.

Part II: OTHER INFORMATION

Item 1A. Risk Factors

See Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2019, as updated in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, for a detailed discussion of risk factors affecting the Company.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	SEC File Number	Exhibit	Filing Date	
10.1	Separation Agreement, Waiver and Release effective as of September 2, 2020, by and between Fidelity National Information Services, Inc., and Stephanie Ferris. (1)					*
10.2	Amendment to Fidelity National Information Services, Inc. 2008 Omnibus Incentive Plan. (1)					*
31.1	Certification of Gary A. Norcross, President and Chief Executive Officer of Fidelity National Information Services, Inc., pursuant to rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Certification of James W. Woodall, Corporate Executive Vice President and Chief Financial Officer of Fidelity National Information Services, Inc., pursuant to rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
32.1	Certification of Gary A. Norcross, President and and Chief Executive Officer of Fidelity National Information Services, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					*
32.2	Certification of James W. Woodall, Corporate Executive Vice President and Chief Financial Officer of Fidelity National Information Services, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					*
101.INS	XBRL Instance Document - the 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.					*

(1) Management contract or compensatory plan or arrangement.

* Filed or furnished herewith

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.

		FIDELITY NATIONAL INFORMATION SERVICES, INC.
Date: October 29, 2020	By:	/s/ JAMES W. WOODALL
		James W. Woodall
		Corporate Executive Vice President and Chief Financial Officer (Principal Financial Officer)

		FIDELITY NATIONAL INFORMATION SERVICES, INC.
Date: October 29, 2020	By:	/s/ CHRISTOPHER THOMPSON
		Christopher Thompson
		Chief Accounting Officer (Principal Accounting Officer)

Execution Copy

SEPARATION AGREEMENT, WAIVER AND RELEASE

This Separation Agreement, Waiver and Release ("Agreement") is entered into by and between Stephanie Ferris and her heirs, executors, administrators, successors and assigns (hereinafter collectively referred to as "Executive") and Fidelity National Information Services, Inc. and its subsidiaries (including, without limitation, Worldpay, Inc., and its and their predecessors, successors and assigns (hereinafter collectively referred to as the "Company")).

Recitals

A. The Company employed Executive as Chief Operating Officer commencing on or about August 1, 2019, immediately after its acquisition of Worldpay, Inc., at which Executive previously served as Chief Financial Officer.

B. The Company and Executive entered into an Employment Agreement on August 1, 2019 (the "Employment Agreement"), which among other things provided for a three-year term, but allowed Executive to depart the Company after a transition period ending no earlier than January 31, 2020 and claim "Worldpay Good Reason," which she would have had on August 1, 2019 under the Worldpay Executive Severance Plan ("WP ESP").

C. Executive now wishes to voluntarily terminate her employment with the Company for "Worldpay Good Reason" effective as of the close of business on September 2, 2020 ("Date of Termination") FIS has waived any requirement in the Employment Agreement for additional notice and agrees that Executive has been employed by the Company for the period necessary for her to claim Worldpay Good Reason under her Employment Agreement.

D. The parties desire to fully and finally settle all claims or potential claims that each party may have against the other, whether known or unknown at this date, in exchange for the benefits offered herein.

Terms

1. **Obligations of the Company.** In consideration of Executive's agreement to the terms herein and for other good and valuable consideration as set herein, the Company agrees as follows:

(a) The Company will pay Executive a one-time lump sum payment of Two Million Nine Hundred Ninety Thousand Dollars ($2,990,000), less applicable withholdings, excise and payroll taxes, which represents two (2) years of Executive's base salary plus Executive's target annual incentive compensation plan bonus for the 2020 fiscal year and is the total amount of the cash severance payable to Executive. Such payment shall be made to Executive on the next payday of the Company after six (6) months from the Date of Termination (i.e., on or about March 15, 2021).

(b) Contingent upon the Company achieving the financial targets set by the Compensation Committee of the Company Board of Directors for fiscal year 2020 under the Corporate Officers Annual Incentive Compensation Plan , Executive would receive a one-time lump sum payment of the amount of any bonus achieved and paid up to target under this plan, less applicable withholdings, excise tax (if any) and payroll taxes, which would be prorated to reflect the full number of months Executive worked in the fiscal year of termination. Any such payment shall be made to Executive in 2021 at the same time and in accordance with the same terms as bonuses are paid to active employees participating in this plan, but no later than March 15, 2021.

(c) For purposes of all equity agreements which Executive entered into with Worldpay prior to the effective date of the Employment Agreement, all such equity awards shall be fully vested and/or payable upon or following termination of employment in accordance with the terms of the grants upon termination for Good Reason upon a change of control, including settlement and distribution of performance awards and restricted units which shall be settled and distributed pursuant to the terms of the applicable award and continued post-employment exercisability of vested stock options to the extent provided under such equity agreements. For avoidance of doubt, the provisions of Section 12(a) of this Agreement shall apply to this section.

(d) With respect to the equity grant agreements which Executive entered into with the Company after the effective date of the Employment Agreement: (i) for the first one-third tranche of that three year equity award which Executive received on or about March 29, 2020, (A) the grants consisting of performance share units ("PSU's") and restricted stock units ("RSU's") will vest and/or be exercisable or distributed to Executive on the first anniversary of the grant (PSU's to be distributed at target) as set forth in the grant agreements, and (B) the stock option grant will vest as of the Effective Date and be fully exercisable for three months after the Date of Termination. All other RSU's, PSU's and stock options in those March 29, 2020 grant agreements shall remain unvested and shall be forfeited at the Date of Termination in accordance with the grant agreement terms; and (ii) Executive acknowledges and agrees that the portion of the PSU's awarded under Executive's August 8, 2019 Worldpay Integration Incentive Grant Agreement with respect to the First Measurement Period thereunder which were approved for vesting and distribution by the Compensation Committee of the Board of Directors of the Company at their meeting on July 23, 2020, were distributed to her brokerage account at Fidelity Investments, less shares withheld to cover tax withholding obligations, on or about August 6, 2020, and that all remaining PSU's or value associated therewith in that grant agreement shall remain unvested and shall be forfeited at the Date of Termination in accordance with the grant agreement terms.

(e) As long as Executive pays the full monthly premiums for COBRA coverage, Company shall provide Executive and, as applicable, Executive's eligible dependents, with continued medical and dental coverage on the same basis as provided to Company's active executives and their dependents until the earlier of: (i) eighteen (18) months after the Date of Termination; or (ii) the date Executive is first eligible for medical and dental coverage (without pre-existing condition limitations) with a subsequent employer. In addition, on the next payday of the Company after six (6) months from the Date of Termination, Company shall pay Executive a lump sum cash payment equal to seventeen (17) monthly medical and dental COBRA premiums based on the level of coverage in effect for the Executive (e.g., employee only or family coverage) on the Date of Termination.

(f) Accrued Obligations as defined under the Employment Agreement, including a reduction of two (2) vacation days to be used on September 1 and 2, 2020;

(g) The Company shall direct its current Chief Executive Officer, Chief Financial Officer, President-Banking & Merchant Solutions, Chief Legal Officer and Chief People Officer to refrain from expressing (or causing others to express) to any third party (including, without limitation, the media), any derogatory or negative statements or opinions concerning Executive. Nothing herein shall prohibit anyone from testifying truthfully under oath in any legal proceeding.

(h) Following the Date of Termination, Executive shall have the right to indemnification for any acts or omissions in her official capacity as a Company officer occurring during her employment with the Company in accordance with applicable law and the provisions of the Company's by-laws and directors' and officers' liability insurance to the extent allowed under the provisions of such bylaws and insurance policies to executive officers of the Company after their termination of employment.

(i) In the event of her death prior to her receipt of amounts due under Section 1 hereof, all amounts due Executive thereunder shall be distributed when due in accordance with the instructions of the administrator of her estate in accordance with applicable law..

2. **Obligations of Executive.** In consideration of the agreement of the Company to the terms herein and for other good and valuable consideration as set forth below, Executive agrees as follows:

(a) Executive hereby irrevocably and unconditionally releases the Company and its affiliates, subsidiaries and joint ventures, and any of its or their respective shareholders, directors, members, officers, employees, partners, representatives, agents, predecessors, successors, assigns and/or attorneys, each in their respective official capacities as such (hereinafter collectively referred to as the "Company Released Parties"), from and waives any and all claims, demands, damages, lawsuits, obligations, promises, administrative actions, charges, and causes of action, both known and unknown, in law or in equity, of any kind whatsoever, that Executive has or may have against the Company Released Parties; and particularly, without limiting the generality of the foregoing, Executive waives and releases the Company Released Parties from all matters relating to or arising out of the Employment Agreement, her employment with Company, her compensation by Company (including any bonuses, incentives, equity issued by the Company after the effective date of the Employment Agreement except as specified in Sections 1(b) and 1(d) hereof, relocation benefits, paid time off and benefits), and/or her separation from employment with the Company, and including, without limitation, any causes of action or claims for wrongful or retaliatory discharge, unlawful employment discrimination or harassment arising under Title VII of the Civil Rights Act of 1964, as amended; the Age Discrimination in Employment Act of 1967, as amended ("ADEA"); the Older Workers Benefit Protection Act; the Ohio Civil Rights Act, as amended; the Florida Civil Rights Act, as amended; the Civil Rights Act of 1866, as amended; the Civil Rights Act of 1991, as amended; 42 U.S.C. §1981, as amended; the Americans With Disabilities Act of 1990, as amended; the Rehabilitation Act of 1973, as amended; Executive Orders 11246 and 11073; the Employee Retirement Income Security Act of 1974, as amended; the Fair Labor Standards Act of 1938, as amended; the Fair Credit Reporting Act; the Family and Medical Leave Act of 1993; the Genetic Information Nondiscrimination Act of 2008, the Sarbanes-Oxley Act, as amended; the Dodd-Frank Act of 2010, and any other federal, state, local or foreign equal opportunity law, constitutional provision, statute, common law doctrine, public policy, executive order, or municipal ordinance; and any other causes of action or claims based upon any other federal, state, local or foreign laws or municipal ordinances or upon common law affecting or relating to the claims or rights of employees, including any and all suits in tort (including negligence) or contract (whether oral, written or implied), or any other common law or equitable basis of action which Executive had, now has or may claim to have against the Company Released Parties, or which Executive, her heirs, executors, administrators, successors and assigns hereafter can, shall or may have for any reason against the Company Released Parties. Notwithstanding the above, nothing in this section or this Agreement shall release the Company Released Parties from (i) any action for breach of its obligations under this Agreement, (ii) Executive's right to accrued, vested benefits under any employee benefit plan of the Company, (iii) right to indemnification, as provided by, and in accordance with the terms of, applicable law, the Company's by-laws or otherwise, and (iv) Executive's coverage under applicable directors' and officers' liability insurance.

(b) Executive represents that she has not and does not intend to participate in or file against any of the Company Released Parties any action, cause of action, lawsuit or proceeding regarding, or in any way related to, any of the claims released in Section 2(a) of this Agreement, and that he understands that the Company Released Parties have reasonably relied on the representations in this Section 2(b) in agreeing to perform those obligations set forth in Section 1 of this Agreement and further agrees that this Agreement may be pleaded as a bar to any such action, cause of action, lawsuit or proceeding. Executive also promises and agrees that if any court assumes jurisdiction over any such action against the Company Released Parties involving or on behalf of Executive, he shall promptly withdraw from and request that such court dismiss any such action. Executive further represents that he will not voluntarily lend her support to or participate in any action, cause of action, claim, investigation, lawsuit or proceeding adverse to or brought against the Company Released Parties by any third party, and will not communicate in any way with the media with respect to any such claim or action (other than to respond that she has "no comment"). Notwithstanding the above representations, the parties acknowledge that Executive has a legal obligation to respond to any lawfully issued subpoena by a court or administrative agency, and as long as the subpoena was not in any way solicited by him as a way to circumvent her obligations hereunder, her offering of truthful testimony under oath in response to such a lawfully issued subpoena will not be considered a violation of this provision.

(c) Executive further represents and affirms that she is not presently aware of any corporate fraud having been committed by any employee of the Company during her employment with it nor is she aware of and has no knowledge or facts supporting any allegation or claim that the Company has engaged in any type of illegal activity.

(d) Executive shall refrain from expressing (or causing others to express) to any employee of Company or any third party (including, without limitation, the media), any derogatory or negative statements or opinions concerning the Company and/or its operations, services, officers or employees. Nothing herein shall prohibit anyone from testifying truthfully under oath in any legal proceeding.

(e) Executive shall immediately return to the Company all information and property in her possession or control belonging to the Company Released Parties, including but not limited to computers, cell phones, pda's, computer equipment, electronic mail and other electronic information, credit cards and supplies, company reports and records, vendor information, customer information, investor information, employee information, contracts, bids, drafts of contracts, documents of any kind regarding or relating to real properties held by the Company, policies, forms, files regarding company matters, telephone listings of customers, personnel or vendors, internal memoranda concerning any of the above, and all cardkey passes, door and file keys, computer access codes, software, and other physical or personal property which Executive received, prepared or helped prepare in connection with her employment with the Company, whether in documentary, electronic or other tangible form; and Executive shall not make or retain any copies, duplicates, reproductions, or excerpts thereof. Notwithstanding the foregoing, Executive may make an electronic copy of and retain her contacts list and calendar.

(f) Executive shall maintain the confidentiality of all confidential information or trade secrets of the Company and shall refrain from, either directly or indirectly, either on her own behalf, or on behalf of another business, divulging, using or misappropriating the confidential information or trade secrets of the Company on behalf of any other person or entity. The restrictions on Executive's disclosure of confidential information and/or trade secrets of the Company under this Agreement shall not apply to information of the Company which: (i) becomes generally known or available to the public through no act or failure to act on the part of Executive; or (ii) is required to be disclosed pursuant to a lawfully issued subpoena by a court or administrative agency, but only after any such subpoena is provided by Executive to the Company (if legally permissible to do so and feasible under the relevant circumstances) and the Company has had an opportunity to object or seek a protective order prior to any disclosure of its confidential information or trade secrets.

(g) Executive agrees to comply in all respect with her confidentiality, non-competition, non-solicitation, no-hire, and non-disparagement agreements as set forth in the Employment Agreement and any equity award agreements she has signed through: (i) one year from the Effective Date of this Agreement; and (ii) in the case of confidentiality, for the maximum period allowed under applicable law (subject to the exceptions set forth in Section 2(f) hereof).

(h) All discoveries, inventions, ideas, technology, formulas, designs, software, programs, algorithms, products, systems, applications, processes, procedures, trade secrets, methods, improvements and the like conceived, developed or otherwise made or created or produced by the Executive alone or with others, and in any way relating to the actual or proposed business, products or services of the Company of which the Executive has been made aware, whether or not subject to patent, copyright or other protection and whether or not reduced to tangible form, at any time during the Executive's employment with the Company ("Works"), shall be the sole and exclusive property of the Company. Executive agrees to, and hereby does, assign to the Company, without any further consideration, all of Executive's right, title and interest throughout the world in and to all Works.

(i) Executive agrees to perform promptly, all acts deemed reasonably necessary or desirable by the Company to permit and assist it, at its expense, in obtaining and enforcing the full benefits, enjoyment, rights and title throughout the world in all Works assigned to the Company pursuant to this Agreement, or any similar agreement including, but not limited to, disclosing information, executing documents and assisting or cooperating in legal proceedings.

(j) Pursuant to 18 U.S.C. § 1833(b), Executive understands that Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company, its subsidiaries or affiliates, or any of their respective successors, that (i) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or Executive's attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Executive understands that if Executive files a lawsuit for retaliation by the Company, its subsidiaries or affiliates, or any of their respective successors, for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding if Executive (x) files any document containing the trade secret under seal, and (y) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement, or any other agreement that Executive has with the Company, its subsidiaries or affiliates, or any of their respective successors, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(k) Nothing in this Agreement prohibits or prevents Executive from filing a charge with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board or a similar agency enforcing federal, state or local anti-discrimination, anti-harassment, or anti-retaliation laws. However, to the maximum extent permitted by law, Executive agrees that if such an administrative claim is made to such an agency, Executive shall not be entitled to recover any individual monetary relief or other individual remedies. In addition, nothing in this Agreement, including but not limited to the release of claims nor the confidentiality and non-disparagement clauses, prohibits Executive from: (1) reporting possible violations of federal law or regulations, including any possible securities laws violations, to any governmental agency or entity, including but not limited to the U.S. Department of Justice, the U.S. Securities and Exchange Commission, the U.S. Congress, or any agency Inspector General; (2) making any other disclosures that are protected under the whistleblower provisions of federal law or regulations; or (3) otherwise fully participating in any federal whistleblower programs, including but not limited to any such programs managed by the U.S. Securities and Exchange Commission and/or the Occupational Safety and Health Administration. Moreover, nothing in this Agreement prohibits or prevents Executive from receiving individual monetary awards or other individual relief by virtue of participating in such federal whistleblower programs.

(l) Executive agrees that she will provide reasonable assistance and information, if reasonably requested by the Company and upon reasonable notice, regarding any federal, state or local government agency or department's inquiries or investigations or any legal claims or litigation relating to events occurring or known to her during the time she was employed by the Company, subject to her then current business and personal commitments. Executive shall be promptly reimbursed by the Company for any out-of-pocket expenses reasonably incurred in providing such requested assistance.

3. **Recovery of Benefits.** If Executive engages in conduct which violates or breaches any provision of Section 2(a) or (b) herein, the Company shall be entitled to withhold or recover its costs and expenses (including attorney's fees) and any losses or damages resulting therefrom from monies paid to Executive under Sections 1(a) and (b) of this Agreement.

4. **Non-Admission.** Neither this Agreement, nor anything contained herein, is to be construed as an admission by any of the Executive or the Company Released Parties of any liability, wrongdoing or unlawful conduct whatsoever.

5. **Severability.** In the event that any provision(s), sub-provision(s) or clause(s) of this Agreement is invalidated by a court of competent jurisdiction, then all of the remaining provisions of this Agreement shall continue unabated and in full force and effect.

6. **Entire Agreement.** This Agreement contains the entire understanding and agreement between the parties regarding the subject matter herein, and shall not be modified or superseded except upon express written consent of the parties to this Agreement. The recitals herein are true and correct and are a part of this Agreement. The parties represent and acknowledge that in executing this Agreement, each party does not rely and has not relied upon any representation or statement made by another party or their agents, representatives or attorneys which is not set forth in this Agreement.

7. **Supersedes Past Agreements.** This Agreement supersedes and renders null and void any previous agreements or contracts regarding Executive's employment with the Company, whether written or oral, between Executive and any of the Company Released Parties, except for equity award agreements and agreements, or provisions therein, concerning non-competition, non-solicitation, no-hire or confidentiality obligations of the Executive, specifically including any remedies for breach of the terms and conditions of the equity award agreements, which shall remain in effect for the duration set forth therein or by applicable law.

8. **Attorneys' Fees.** An award of reasonably incurred costs and attorney's fees shall be entered (a) in favor of the prevailing party and against the non-prevailing party in any action brought to enforce the terms of this Agreement in a court of competent jurisdiction, or (b) in favor of any party required to defend a lawsuit or any other type of action which has been waived or released herein and against the party bringing the lawsuit or action. An award of attorney's fees and costs under this provision shall include those costs and attorney's fees incurred in litigating entitlement to attorney's fees and costs, as well as in determining and quantifying the amount of recoverable attorney's fees and costs.

9. **Agreement Not to be Used as Evidence.** This Agreement shall not be admissible as evidence in any proceeding except where one of the parties to this Agreement seeks to enforce this Agreement or alleges this Agreement has been breached, or where one of the parties is required to produce this Agreement or evidence of a particular provision of the Agreement by a court or administrative agency of competent jurisdiction.

10. **Opportunity to Consider.** The Company has advised Executive of her right to consult with an attorney prior to executing this Agreement, and Executive acknowledges that she has conferred with counsel, Henry Morgenbesser of Katzke & Morgenbesser LLP, and has been represented by him throughout the negotiation of this Agreement, and has been given a period of at least twenty-one (21) days within which to consider this Agreement. The Company and Executive acknowledge that each has read, studied, considered, and deliberated upon this Agreement, has consulted with counsel, and both parties fully understand and are in complete agreement with all of the terms of this Agreement.

11. **Effective Date.** This Agreement may be revoked by Executive for a period of seven (7) days following her execution of the Agreement, and the Agreement shall not become effective or enforceable until the revocation period has expired without revocation. The "Effective Date" of this Agreement shall be the eighth day after Executive has signed this Agreement without having revoked it.

12. **Sections 409A and 280G/4999.**

(a) **Section 409A.** It is intended that all payments and benefits provided under this Agreement shall be exempt from the application of the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") or, to the extent not exempt from Section 409A of the Code, shall comply with the requirements of Section 409A of the Code. This Agreement shall be construed, administered and governed in a manner that affects such intent. Specifically, all payments and benefits provided under this Agreement are intended to be separate payments that qualify for the "short-term deferral" exception to Section 409A of the Code to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the separation pay exceptions to Section 409A of the Code, to the maximum extent possible. To the extent that none of these exceptions (or any other available exception) applies, then notwithstanding anything contained herein to the contrary, and to the extent required to comply with Section 409A of the Code, if Executive is a "specified employee" (within the meaning of Section 409A of the Code), as determined under the Company's policy for identifying specified employees on the date of her "separation from service" (within the meaning of Section 409A of the Code), then all amounts due under this Agreement that constitute a "deferral of compensation" (within the meaning of Section 409A of the Code) that are provided as a result of her separation from service, and that would otherwise be paid or provided during the first six (6) months following the date of her separation from service, shall be accumulated through and paid or provided on the first business day that is more than six (6) months after the date of the date of her separation from service (or, if Executive dies during such six (6)-month period, within ninety (90) days after Executive's death). With regard to any provision in this Agreement that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A of the Code: (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any calendar year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; and (iii) such payments shall be made on or before the last day of the calendar year following the calendar year in which the expense occurred, or such earlier date as required hereunder. The tax treatment of the payments and benefits provided under this Agreement are not warranted or guaranteed by the Company. The Company, its respective directors, officers, employees or advisers shall not be held liable for any taxes, interest, penalties or other monetary amounts owed by Executive under this Agreement.

(b) **Sections 280G/4999 of the Code.** Section 6 of the WP ESP shall continue to apply to the amounts paid hereunder to the extent said Section 6 is applicable to any such amounts and in accordance with applicable law. The parties agree that under no circumstance shall Executive be entitled to any gross-up payment for any payments made under this Agreement which are found to be subject to excise tax under Section 4999 of the Code ("Excise Tax"). Executive shall be solely responsible for the payment of any such Excise Tax. FIS shall meet its obligation to withhold Excise Tax at the time of payment to Executive if so determined pursuant to said Section 6 and applicable law. For the avoidance of doubt, Section 26 of the Employment Agreement shall not apply hereunder.

13. **Applicable Law.** This Agreement shall be interpreted, construed, and governed by the laws of the State of Florida, regardless of its place of execution or performance, without regard to internal principles relating to conflict of laws. The parties agree that any cause of action arising between the parties regarding this Agreement shall be brought only in a state or federal court of competent jurisdiction in Jacksonville, Florida

14. **Execution.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission or by electronic mail in PDF format shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile and by electronic mail in PDF format shall be deemed to be their original signatures for all purposes.

[*Remainder of Page Intentionally Left Blank; Signatures on Following Page*]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Company and Executive hereby execute this Separation Agreement, Waiver and Release, consisting of ten (10) pages (including this signature page) and including fourteen (14) enumerated paragraphs, by signing below voluntarily and with full knowledge of the significance of all of its provisions.

PLEASE READ CAREFULLY. THIS SEPARATION AGREEMENT, WAIVER AND RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Executed at Cincinnati, Ohio this 31 day of August, 2020.

S Ferris

Stephanie Ferris

Sworn to and subscribed before me this 31st day of August, 2020.

Patricia E. Marconi

Notary Public, State of Ohio at Large. My Commission expires

NOTARIAL SEAL STATE OF OHIO

PATRICIA E MARCONI
Notary Public
In and for the State of Ohio
My Commission Expires
February 14, 2021

X Personally known.
______ Produced _______________ as identification.

Executed at Jacksonville, Florida , this 31st day of August, 2020.

Fidelity National Information Services, Inc.

By: Marc M Mayo
Print Name: Marc M. Mayo
Its: Corporate EVP + Chief Legal Officer

Sworn to and subscribed before me this 31st day of August, 2020.

James Wiley

Notary Public, State of Florida at Large. My Commission expires

FLORIDA NOTARY ASSOCIATION SINCE 1978

James Wiley
Notary Public
State of Florida
Comm# HH002318
Expires 5/20/2024

X Personally known.
______ Produced _______________ as identification.

Exhibit 10.2

AMENDMENT
TO
Fidelity National Information Services, Inc.
2008 Omnibus INCENTIVE PLAN
(as amended and restated effective May 30, 2018)

This Amendment ("Amendment") to the 2008 Omnibus Incentive Plan (the "Plan") of Fidelity National Information Services, Inc., a Georgia corporation (the "Company"), is adopted by the Company's Board of Directors (the "Board") effective as of October 22, 2020.

1. Capitalized Terms. All capitalized terms used and not defined in this Amendment shall have the meanings given thereto in the Plan.

2. Amendment to the Plan.

(a) Article 17 (Change in Control) of the Plan is hereby amended and restated in its entirety to read as follows:

"17.1 Impact of Change in Control. Except as otherwise provided in Section 17.2, upon the occurrence of a Change in Control, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges:

(a) any and all outstanding Options and SARs granted hereunder shall become immediately exercisable; provided, however, that the Committee may instead provide that such Awards shall be automatically cashed out upon a Change in Control;

(b) any Period of Restriction or other restriction imposed on Restricted Stock, Restricted Stock Units and Other Awards shall lapse; and

(c) any and all Performance Shares, Performance Units and other Awards (if performance-based) shall be deemed earned at the target level (or if no target level is specified, the maximum level) with respect to all open Performance Periods, unless the Committee determines otherwise in its discretion that such Awards shall be deemed earned at a level in excess of target level performance based on actual results or good-faith projections for the open Performance Periods.

17.2 Double-Trigger Default Provision. Notwithstanding the provisions of Section 17.1 hereof, except as otherwise provided in any then-effective written agreement between the Participant and the Company or a Subsidiary, including, without limitation, a Participant's Award Agreement, if any Award granted under the Plan on or after October 22, 2020 is assumed or a substantially equivalent Award is substituted therefor in connection with a Change in Control, the provisions of Section 17.1(a), (b) and (c), as applicable, shall not apply to such assumed or substantially equivalent Award, to the extent then outstanding, unless and until the later of (i) the date on which the Participant experiences an Involuntary Termination or (ii) the occurrence of the Change in Control; provided that any such Award that is considered deferred compensation subject to Code Section 409A, settlement of such Award shall be made pursuant to its original schedule if necessary to comply with Section 409A. For purposes of this Section 17.2, a Participant will be deemed to experience an "*Involuntary Termination*" if the Participant's employment or service is terminated other than for "cause" (as such term is defined in the Participant's Award Agreement) or the Participant resigns for "good reason" (as such term is defined in the Participant's Award Agreement, but only if "good reason" termination applies under such Award Agreement), in each case, at any time within three (3) months preceding, or twenty-four (24) months following, the Change in Control."

3. Ratification and Confirmation. Except as specifically amended by this Amendment, the Plan is hereby ratified and confirmed in all respects and remains valid and in full force and effect.

4. Governing Law. To the extent not preempted by federal law, this Amendment shall be construed in accordance with and governed by the laws of the State of Florida, without giving effect to conflicts or choice of law principles.

* * *

Exhibit 31.1

CERTIFICATIONS

I, Gary A Norcross, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fidelity National Information Services, 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 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:	October 29, 2020	By:	/s/ GARY A. NORCROSS
			Gary A. Norcross
			President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, James W. Woodall, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fidelity National Information Services, 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 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:	October 29, 2020	By:	/s/ JAMES W. WOODALL
			James W. Woodall
			Corporate Executive Vice President and Chief Financial Officer
			(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350

The undersigned hereby certifies that he is the duly appointed and acting Chief Executive Officer of Fidelity National Information Services, Inc., a Georgia corporation (the “Company”), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date:	October 29, 2020	By:	/s/ GARY A. NORCROSS
			Gary A. Norcross
			President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Fidelity National Information Services, Inc., a Georgia corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date:	October 29, 2020	By:	/s/ JAMES W. WOODALL
			James W. Woodall
			Corporate Executive Vice President and Chief Financial Officer
			(Principal Financial Officer)