



FORM 10-Q  
QUARTERLY REPORT  
Quarter Ended September 30, 2016

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

	September 30, 2016	December 31, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 701	\$ 682
Settlement deposits	467	371
Trade receivables, net of allowance for doubtful accounts of \$34 and \$16 as of September 30, 2016 and December 31, 2015, respectively	1,649	1,731
Settlement receivables	230	162
Other receivables	104	197
Prepaid expenses and other current assets	290	266
Deferred income taxes	82	100
Total current assets	3,523	3,509
Property and equipment, net	604	611
Goodwill	14,569	14,745
Intangible assets, net	5,146	5,159
Computer software, net	1,639	1,584
Deferred contract costs, net	293	253
Other noncurrent assets	360	339
Total assets	\$ 26,134	\$ 26,200
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,169	\$ 1,196
Settlement payables	699	538
Deferred revenues	752	615
Current portion of long-term debt	317	15
Total current liabilities	2,937	2,364
Long-term debt, excluding current portion	10,470	11,429
Deferred income taxes	2,629	2,658
Deferred revenues	17	30
Other long-term liabilities	325	312
Total liabilities	16,378	16,793
Equity:		
FIS stockholders' equity:		
Preferred stock, \$0.01 par value, 200 shares authorized, none issued and outstanding as of September 30, 2016 and December 31, 2015	—	—
Common stock, \$0.01 par value, 600 shares authorized, 431 and 430 shares issued as of September 30, 2016 and December 31, 2015, respectively	4	4
Additional paid in capital	10,334	10,210
Retained earnings	3,177	3,073
Accumulated other comprehensive earnings (loss)	(240)	(279)
Treasury stock, 103 and 106 shares as of September 30, 2016 and December 31, 2015, respectively, at cost	(3,614)	(3,687)
Total FIS stockholders' equity	9,661	9,321
Noncontrolling interest	95	86
Total equity	9,756	9,407
Total liabilities and equity	\$ 26,134	\$ 26,200

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 data)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Processing and services revenues	\$ 2,309	\$ 1,579	\$ 6,795	\$ 4,721
Cost of revenues	1,527	1,022	4,680	3,162
Gross profit	782	557	2,115	1,559
Selling, general, and administrative expenses	384	219	1,250	719
Operating income	398	338	865	840
Other income (expense):				
Interest expense, net	(98)	(36)	(284)	(109)
Other income (expense), net	(6)	(20)	(8)	130
Total other income (expense), net	(104)	(56)	(292)	21
Earnings from continuing operations before income taxes	294	282	573	861
Provision for income taxes	103	100	200	314
Earnings from continuing operations, net of tax	191	182	373	547
Earnings (loss) from discontinued operations, net of tax	—	(2)	1	(7)
Net earnings	191	180	374	540
Net earnings attributable to noncontrolling interest	(6)	(5)	(13)	(14)
Net earnings attributable to FIS common stockholders	\$ 185	\$ 175	\$ 361	\$ 526
Net earnings per share — basic from continuing operations attributable to FIS common stockholders	\$ 0.57	\$ 0.63	\$ 1.11	\$ 1.89
Net earnings (loss) per share — basic from discontinued operations attributable to FIS common stockholders	—	(0.01)	—	(0.02)
Net earnings per share — basic attributable to FIS common stockholders	\$ 0.57	\$ 0.62	\$ 1.11	\$ 1.87
Weighted average shares outstanding — basic	326	280	325	282
Net earnings per share — diluted from continuing operations attributable to FIS common stockholders	\$ 0.56	\$ 0.62	\$ 1.09	\$ 1.87
Net earnings (loss) per share — diluted from discontinued operations attributable to FIS common stockholders	—	(0.01)	—	(0.02)
Net earnings per share — diluted attributable to FIS common stockholders	\$ 0.56	\$ 0.62	\$ 1.10	\$ 1.85
Weighted average shares outstanding — diluted	330	284	329	285
Cash dividends paid per share	\$ 0.26	\$ 0.26	\$ 0.78	\$ 0.78
Amounts attributable to FIS common stockholders:				
Net earnings from continuing operations	\$ 185	\$ 177	\$ 360	\$ 533
Net earnings (loss) from discontinued operations	—	(2)	1	(7)
Net earnings attributable to FIS common stockholders	\$ 185	\$ 175	\$ 361	\$ 526

Amounts in table may not sum due to rounding.

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,	
	2016	2015	2016	2015
Net earnings	\$ 191	\$ 180	\$ 374	\$ 540
Other comprehensive earnings, before tax:				
Unrealized gain (loss) on investments and derivatives	\$ 3	\$ (14)	\$ (6)	\$ (16)
Reclassification adjustment for (gains) losses included in net earnings	4	1	8	3
Unrealized gain (loss) on investments and derivatives, net	7	(13)	2	(13)
Foreign currency translation adjustments	(1)	(75)	50	(179)
Other comprehensive earnings (loss), before tax:	6	(88)	52	(192)
Provision for income tax expense (benefit) related to items of other comprehensive earnings	2	(6)	(4)	(4)
Other comprehensive earnings (loss), net of tax	\$ 4	\$ (82)	\$ 56	\$ (188)
Comprehensive (loss) earnings:	195	98	430	352
Net (earnings) loss attributable to noncontrolling interest	(6)	(5)	(13)	(14)
Other comprehensive (earnings) losses attributable to noncontrolling interest	1	19	(18)	34
Comprehensive earnings (loss) attributable to FIS common stockholders	\$ 190	\$ 112	\$ 399	\$ 372

See accompanying notes to unaudited condensed consolidated financial statements.

**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
AND SUBSIDIARIES**  
**Condensed Consolidated Statement of Equity**  
**Nine months ended September 30, 2016**  
**(In millions, except per share amounts)**  
**(Unaudited)**

	Amount								
	FIS Stockholders								
	Number of shares		Additional		Accumulated		Treasury	Noncontrolling	Total
	Common	Treasury	Common	paid in	Retained	other			
shares	shares	stock	capital	earnings	earnings	earnings	stock	interest	equity
Balances, December 31, 2015	430	(106)	\$ 4	\$ 10,210	\$ 3,073	\$ (279)	\$ (3,687)	\$ 86	\$ 9,407
Issuance of restricted stock	1	—	—	—	—	—	—	—	—
Exercise of stock options	—	3	—	13	—	—	75	—	88
Treasury shares held for taxes due upon exercise of stock options	—	—	—	(21)	—	—	(6)	—	(27)
Excess income tax benefit from exercise of stock options	—	—	—	26	—	—	—	—	26
Stock-based compensation	—	—	—	101	—	—	—	—	101
Cash dividends paid (\$0.26 per share per quarter) and other distributions	—	—	—	—	(257)	—	—	(22)	(279)
Net earnings	—	—	—	—	361	—	—	13	374
Other comprehensive loss, net of tax	—	—	—	—	—	38	—	18	56
Other	—	—	—	5	—	1	4	—	10
Balances, September 30, 2016	431	(103)	\$ 4	\$ 10,334	\$ 3,177	\$ (240)	\$ (3,614)	\$ 95	\$ 9,756

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)**

	<b>Nine months ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
Cash flows from operating activities:		
Net earnings	\$ 374	\$ 540
Adjustment to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	876	464
Amortization of debt issue costs	14	7
Gain on Sale of Assets	—	(150)
Stock-based compensation	101	59
Deferred income taxes	(125)	(41)
Excess income tax benefit from exercise of stock options	(26)	(21)
Other operating activities	—	4
Net changes in assets and liabilities, net of effects from acquisitions and foreign currency:		
Trade receivables	126	(34)
Settlement activity	(4)	7
Prepaid expenses and other assets	(32)	(19)
Deferred contract costs	(94)	(85)
Deferred revenue	121	(4)
Accounts payable, accrued liabilities, and other liabilities	11	(29)
Net cash provided by operating activities	1,342	698
Cash flows from investing activities:		
Additions to property and equipment	(110)	(106)
Additions to computer software	(336)	(200)
Proceeds from sale of assets	—	241
Acquisitions, net of cash acquired, and equity investments	—	(17)
Other investing activities, net	(4)	—
Net cash used in investing activities	(450)	(82)
Cash flows from financing activities:		
Borrowings	5,763	4,662
Repayment of borrowings	(6,429)	(4,762)
Debt issuance costs	(20)	(3)
Excess income tax benefit from exercise of stock options	26	21
Proceeds from exercise of stock options	88	46
Treasury stock activity	(27)	(308)
Dividends paid	(255)	(220)
Distribution to Brazilian Venture partner	(20)	(24)
Other financing activities, net	(17)	(24)
Net cash used in financing activities	(891)	(612)
Effect of foreign currency exchange rate changes on cash	18	(55)
Net increase (decrease) in cash and cash equivalents	19	(51)
Cash and cash equivalents, beginning of period	682	493
Cash and cash equivalents, end of period	\$ 701	\$ 442
Supplemental cash flow information:		
Cash paid for interest	\$ 218	\$ 98
Cash paid for income taxes	\$ 236	\$ 293

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, 2015, as updated by the Current Report on Form 8-K dated June 2, 2016 for changes in our reporting segments. The preparation of these Condensed Consolidated Financial Statements (Unaudited) 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 Condensed Consolidated Financial Statements (Unaudited) and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. Certain reclassifications have been made in the 2015 Condensed Consolidated Financial Statements (Unaudited) to conform to the classifications used in 2016.

On August 12, 2015, FIS and certain of its wholly-owned subsidiaries entered into an Agreement and Plan of Merger with SunGard and SunGard Capital Corp. II (collectively “SunGard”) pursuant to which, through a series of mergers, FIS acquired SunGard (collectively the “SunGard acquisition”). FIS completed the SunGard acquisition on November 30, 2015 (Note 4) and SunGard’s results of operations and financial position are included in the consolidated financial statements from and after the date of acquisition.

We report the results of our operations in three reporting segments: Integrated Financial Solutions (“IFS”), Global Financial Solutions (“GFS”) and Corporate and Other (Note 10).

**(2) Related Party Transactions**

The Company operates a joint venture (“Brazilian Venture”) with Banco Bradesco S.A. (“Banco Bradesco”), in which we own a 51% controlling interest, to provide comprehensive, fully-outsourced transaction processing, call center, cardholder support and collection services to multiple card issuing clients in Brazil, including Banco Bradesco. The original accounting for this transaction resulted in the establishment of a contract intangible asset and a liability for amounts payable to the original partner banks upon final migration of their respective card portfolios and achieving targeted volumes (the “Brazilian Venture Notes”). The unamortized contract intangible asset balance as of September 30, 2016 was \$92 million. The carrying value of the noncontrolling interest as of September 30, 2016 was \$90 million.

The Company recorded revenues of \$75 million and \$58 million during the three months and \$195 million and \$183 million during the nine months ended September 30, 2016 and 2015, respectively, from Banco Bradesco. Revenues included \$5 million and \$(22) million of favorable (unfavorable) currency impact during the three and nine months ended September 30, 2016, respectively, resulting from foreign currency exchange rate fluctuations between the U.S. Dollar and Brazilian Real in 2016 as compared to 2015.

A summary of the Company’s related party receivables and payables is as follows (in millions):

Related Party	Balance sheet location	September 30, 2016	December 31, 2015
Banco Bradesco	Trade receivables	\$ 62	\$ 31
Banco Bradesco	Accounts payable and accrued liabilities	10	9
Banco Bradesco	Other long-term liabilities	21	24

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

**(3) Net Earnings per Share**

The basic weighted average shares and common stock equivalents for the three and nine months ended September 30, 2016 and 2015 are computed using the treasury stock method.

The following table summarizes the earnings per share attributable to FIS common stockholders for the three and nine months ended September 30, 2016 and 2015 (in millions, except per share amounts):

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net earnings from continuing operations attributable to FIS common stockholders	\$ 185	\$ 177	\$ 360	\$ 533
Net earnings (loss) from discontinued operations attributable to FIS common stockholders	—	(2)	1	(7)
Net earnings attributable to FIS common stockholders	<u>\$ 185</u>	<u>\$ 175</u>	<u>\$ 361</u>	<u>\$ 526</u>
Weighted average shares outstanding — basic	326	280	325	282
Plus: Common stock equivalent shares	4	4	4	3
Weighted average shares outstanding — diluted	<u>330</u>	<u>284</u>	<u>329</u>	<u>285</u>
Net earnings per share — basic from continuing operations attributable to FIS common stockholders	\$ 0.57	\$ 0.63	\$ 1.11	\$ 1.89
Net earnings (loss) per share — basic from discontinued operations attributable to FIS common stockholders	—	(0.01)	—	(0.02)
Net earnings per share — basic attributable to FIS common stockholders	<u>\$ 0.57</u>	<u>\$ 0.62</u>	<u>\$ 1.11</u>	<u>\$ 1.87</u>
Net earnings per share — diluted from continuing operations attributable to FIS common stockholders	\$ 0.56	\$ 0.62	\$ 1.09	\$ 1.87
Net earnings (loss) per share — diluted from discontinued operations attributable to FIS common stockholders	—	(0.01)	—	(0.02)
Net earnings per share — diluted attributable to FIS common stockholders	<u>\$ 0.56</u>	<u>\$ 0.62</u>	<u>\$ 1.10</u>	<u>\$ 1.85</u>

Amounts in table may not sum due to rounding.

Options to purchase approximately 1 million shares or less of our common stock for the three months and 7 million and 1 million for the nine months ended September 30, 2016 and 2015, respectively, were not included in the computation of diluted earnings per share because they were anti-dilutive.

**(4) Acquisitions**

***SunGard***

FIS completed the SunGard acquisition on November 30, 2015, and SunGard's results of operations and financial position are included in the consolidated financial statements from and after the date of acquisition. The SunGard acquisition increased our existing portfolio of solutions to automate a wide range of complex business processes for financial services institutions and corporate and government treasury departments, adding trading, securities operations, administering investment portfolios, accounting for investment assets, and managing risk and compliance requirements.

Through a series of mergers, FIS acquired 100 percent of the equity of SunGard, for a total purchase price as follows (in millions):

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

Cash consideration, including SunGard transaction fees paid at closing	\$ 2,335
Value of stock and vested equity awards exchanged for FIS shares	2,697
Value of vested portion of SunGard stock awards exchanged for FIS awards	47
	<u>\$ 5,079</u>

We recorded a preliminary allocation of the purchase price to SunGard tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values as of November 30, 2015. The provisional amounts for intangible assets were based on independent third-party valuations performed. Land and building valuations were based on appraisals performed by certified property appraisers. Goodwill was recorded as the residual amount by which the purchase price exceeded the provisional fair value of the net assets acquired. Our evaluations of the facts and circumstances available as of November 30, 2015 to assign fair values to other assets acquired and liabilities assumed are ongoing, as are our assessments of the economic characteristics of the acquired software and other intangibles. These evaluations may result in changes to the provisional amounts recorded. In accordance with ASU 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*, the financial statements will not be retrospectively adjusted for any measurement-period adjustments that occur in subsequent periods. Rather, we will recognize any adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment is determined. During the nine months ended September 30, 2016, adjustments were recorded to increase the fair values assigned to intangible assets, deferred taxes, other liabilities and property and equipment and to reduce the value assigned to goodwill. We are also required to record, in the same period's financial statements in which adjustments are recorded, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of any change to the provisional amounts, calculated as if the accounting adjustment had been completed at the acquisition date. Additional depreciation and amortization of \$6 million that would have been recognized in 2015 was recorded in the nine months ended September 30, 2016 related to the changes in provisional values of intangible assets.

The preliminary purchase price allocation, as adjusted for measurement period adjustments recorded through September 30, 2016, is as follows (in millions):

Cash	\$ 631
Trade receivables, net	526
Other receivables	57
Property and equipment	145
Computer software	674
Intangible assets	4,550
Other assets	67
Goodwill	5,808
Liabilities assumed and noncontrolling interest	(7,379)
	<u>\$ 5,079</u>

The following table summarizes the liabilities assumed in the SunGard acquisition (in millions):

Long-term debt (subsequently retired)	\$ 4,738
Deferred income taxes	1,767
Deferred revenue	278
Other liabilities and noncontrolling interest	596
	<u>\$ 7,379</u>

The gross contractual amount of trade receivables acquired was approximately \$546 million. The difference between that total and the provisional 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 SunGard's historical bad debts, sales allowances and collection trends.

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

**(5) Discontinued Operations and Other Dispositions**

During the second quarter of 2015, we sold certain assets associated with our gaming industry check warranty business, resulting in a pre-tax gain of \$139 million, which is included in Other income (expense), net. The sale did not meet the standard necessary to be reported as discontinued operations; therefore, the gain and related prior period earnings remain reported within earnings from continuing operations.

Certain other operations are reported as discontinued in the Condensed Consolidated Statements of Earnings (Unaudited) as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015.

**(6) Condensed Consolidated Financial Statement Details**

The following table shows the Company's condensed consolidated financial statement details as of September 30, 2016 and December 31, 2015 (in millions):

	September 30, 2016			December 31, 2015		
	Cost	Accumulated depreciation and amortization	Net	Cost	Accumulated depreciation and amortization	Net
Property and equipment	\$ 1,490	\$ 886	\$ 604	\$ 1,396	\$ 785	\$ 611
Intangible assets	\$ 6,913	\$ 1,767	\$ 5,146	\$ 6,963	\$ 1,804	\$ 5,159
Computer software	\$ 2,379	\$ 740	\$ 1,639	\$ 2,300	\$ 716	\$ 1,584

The Company entered into capital lease obligations of \$16 million and less than \$1 million during the three months and \$18 million and \$2 million during the nine months ended September 30, 2016 and 2015, respectively. The assets are included in property and equipment and the remaining capital lease obligations are classified as long-term debt on our Condensed Consolidated Balance Sheets (Unaudited) as of September 30, 2016. Periodic payments are included in repayment of borrowings on the Condensed Consolidated Statements of Cash Flows (Unaudited).

Changes in goodwill during the nine months ended September 30, 2016 are summarized as follows (in millions):

	<b>Total</b>
Balance, December 31, 2015	\$ 14,745
Adjustments to SunGard provisional purchase price allocation	(185)
Foreign currency adjustments	9
Balance, September 30, 2016	<u>\$ 14,569</u>

As of September 30, 2016, intangible assets, net of amortization, includes \$5,004 million of customer relationships and \$61 million of finite-lived trademarks, as well as \$81 million of non-amortizable assets consisting mainly of indefinite-lived trademarks. Amortization expense for the quarter related to these intangible assets was \$127 million.

**Settlement Activity**

We manage certain integrated electronic payment services and programs and wealth management processes for our clients that require us to hold and manage client cash balances used to fund their daily settlement activity. Settlement deposits represent funds we hold that were drawn from our clients to facilitate settlement activities. Settlement receivables represent amounts funded by us. Settlement payables consist of settlement deposits from clients, settlement payables to third parties, and outstanding checks related to our settlement activities for which the right of offset does not exist or we do not intend to exercise our right of offset. Our accounting policy for such outstanding checks is to include them in settlement payables on the Condensed Consolidated Balance Sheets (Unaudited) and operating cash flows on the Condensed Consolidated Statements of Cash Flows (Unaudited).

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

**(7) Long-Term Debt**

Long-term debt as of September 30, 2016 and December 31, 2015, consisted of the following (in millions):

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
2017 Term Loans (1)	\$ —	\$ 1,300
2018 Term Loans (2)	900	1,500
Senior Notes due June 2017, interest payable semi-annually at 1.450%	300	300
Senior Notes due April 2018, interest payable semi-annually at 2.000%	250	250
Senior Notes due October 2018, interest payable semi-annually at 2.850%	750	750
Senior Notes due October 2020, interest payable semi-annually at 3.625%	1,750	1,750
Senior Notes due August 2021, interest payable semi-annually at 2.250%	750	—
Senior Notes due March 2022, interest payable semi-annually at 5.000%	700	700
Senior Notes due October 2022, interest payable semi-annually at 4.500%	500	500
Senior Notes due April 2023, interest payable semi-annually at 3.500%	1,000	1,000
Senior Notes due June 2024, interest payable semi-annually at 3.875%	700	700
Senior Notes due October 2025, interest payable semi-annually at 5.000%	1,500	1,500
Senior Notes due August 2026, interest payable semi-annually at 3.000%	1,250	—
Senior Notes due August 2046, interest payable semi-annually at 4.500%	500	—
Revolving Loan (3)	21	1,250
Other	(84)	(56)
	<u>10,787</u>	<u>11,444</u>
Current portion	(317)	(15)
Long-term debt, excluding current portion	<u>\$ 10,470</u>	<u>\$ 11,429</u>

(1) Interest on the 2017 Term Loans was generally payable at LIBOR plus an applicable margin of up to 1.75% based upon the Company's corporate credit ratings.

(2) Interest on the 2018 Term Loans is generally payable at LIBOR plus an applicable margin of up to 1.75% based upon the Company's corporate credit ratings. As of September 30, 2016, the weighted average interest rate on the 2018 Term Loans was 1.77%.

(3) Interest on the Revolving Loan is generally payable at LIBOR plus an applicable margin of up to 1.75% plus an unused commitment fee of up to 0.25%, each based upon the Company's corporate credit ratings. As of September 30, 2016, the weighted average interest rate on the Revolving Loan, excluding fees, was 1.53%.

On August 10, 2016, FIS amended and extended its syndicated credit agreement (the "Credit Agreement") and paid down the balance of \$600 million on the 2017 Term Loans. As of September 30, 2016, the Credit Agreement provided total committed capital of \$3,000 million in the form of a revolving credit facility (the "Revolving Loan") maturing on August 10, 2021. FIS is also a party to a syndicated term loan agreement (the "Term Loan Agreement" and together with the Credit Agreement the "FIS Credit Agreements"), which as of September 30, 2016 provided term loans of \$900 million maturing on November 30, 2018 (the "2018 Term Loans"). As of September 30, 2016, the outstanding principal balance of the Revolving Loan was \$21 million, with \$2,971 million of borrowing capacity remaining thereunder (net of \$8 million in outstanding letters of credit issued under the Revolving Loan).

The obligations of FIS under the FIS Credit Agreements and under all of its outstanding senior notes rank equal in priority and are unsecured. The FIS Credit Agreements and the senior notes remain subject to customary covenants, including, among others, limitations on the payment of dividends by FIS, and events of default.

On August 11, 2016, FIS issued \$2,500 million of new senior notes, including \$750 million of Senior Notes due in 2021 (the "2021 Notes") that bear interest at 2.250%, \$1,250 million of Senior Notes due in 2026 (the "2026 Notes") that bear interest at 3.000% and \$500 million of Senior Notes due in 2046 (the "2046 Notes") that bear interest at 4.500%. Net proceeds from the offering, after deducting discounts and underwriting fees, were \$2,461 million. FIS used the proceeds to pay down the outstanding balance of its Revolving Loan and partially pay down the 2018 Term Loans.

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Due to the extension of the Revolving Loan and issuance of the 2021, 2026, and 2046 Notes, FIS recorded approximately \$25 million of deferred financing costs, which will be amortized into interest expense over the life of the loan and notes. Also, as a result of the pay down of the 2017 Term Loans and the partial pay down of the 2018 Term Loans, FIS incurred a pre-tax charge upon extinguishment of approximately \$2 million due to the write-off of associated previously capitalized debt issue costs.

The following summarizes the aggregate maturities of our debt and capital leases on stated contractual maturities, excluding unamortized non-cash bond premiums and discounts of \$36 million as of September 30, 2016 (in millions).

	<b>Total</b>
2016	\$ 3
2017	317
2018	1,908
2019	5
2020	1,750
Thereafter	6,921
Total principal payments	10,904
Debt issuance costs, net of accumulated amortization	(81)
Total long-term debt	<u>\$ 10,823</u>

Voluntary prepayment of the term loans is generally permitted at any time without fee. There are no mandatory principal payments on the Revolving Loan and any balance outstanding on the Revolving Loan will be due and payable at its scheduled maturity date, which occurs at August 10, 2021.

We monitor the financial stability of our counterparties on an ongoing basis. The lender commitments under the undrawn portions of the Revolving Loan are comprised of a diversified set of financial institutions, both domestic and international. The failure of any single lender to perform its obligations under the Revolving Loan would not adversely impact our ability to fund operations.

The fair value of the Company's long-term debt is estimated to be approximately \$523 million higher than the carrying value as of September 30, 2016. This estimate is based on quoted prices of our senior notes and trades of our other debt in close proximity to September 30, 2016, which are considered Level 2-type measurements. This estimate is subjective in nature and involves uncertainties and significant judgment in the interpretation of current market data. Therefore, the values presented are not necessarily indicative of amounts the Company could realize or settle currently.

#### **(8) Financial Instruments**

As of September 30, 2016, we have entered into the following interest rate swap transactions converting a portion of the interest rate exposure on our 2018 Term Loans and Revolving Loan from variable to fixed (in millions):

<u>Effective date</u>	<u>Termination date</u>	<u>Notional amount</u>	<u>Bank pays variable rate of</u>	<u>FIS pays fixed rate of</u>
January 2016	January 2017	200	1 Month LIBOR (1)	0.65% (2)
January 2016	January 2018	500	1 Month LIBOR (1)	0.92% (2)
February 2016	February 2017	200	1 Month LIBOR (1)	0.71% (2)
		<u>\$ 900</u>		

(1) 0.53% in effect as of September 30, 2016.

(2) Does not include the applicable margin and facility fees paid to lenders on term loans and revolving loans as described above.

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We have designated these interest rate swaps as cash flow hedges and, as such, they are carried on the Condensed Consolidated Balance Sheets (Unaudited) at fair value with changes in fair value included in other comprehensive earnings, net of tax.

Due to the term loan and revolver reductions discussed in Note (7) Long-Term Debt, interest rate swaps with a notional amount totaling \$850 million were terminated as of September 30, 2016. As a result, FIS recognized an approximate \$2 million before tax loss due to the release of fair value changes from other comprehensive earnings.

A summary of the fair value of the Company's interest rate derivative instruments is as follows (in millions):

	September 30, 2016		December 31, 2015	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Interest rate swap contracts	Other noncurrent assets	\$ —	Other noncurrent assets	\$ 1
Interest rate swap contracts	Accounts payable and accrued liabilities	—	Accounts payable and accrued liabilities	—
Interest rate swap contracts	Other long-term liabilities	2	Other long-term liabilities	1

In accordance with the authoritative guidance for fair value measurements, the inputs used to determine the estimated fair value of our interest rate swaps are Level 2-type measurements. We considered our own credit risk and the credit risk of the counterparties when determining the fair value of our interest rate swaps. Adjustments are made to these amounts and to accumulated other comprehensive earnings ("AOCE") within the Condensed Consolidated Statements of Comprehensive Earnings (Unaudited) and Condensed Consolidated Statement of Equity (Unaudited) as the factors that impact fair value change, including current and projected interest rates, time to maturity and required cash transfers/settlements with our counterparties. Periodic actual and estimated settlements with counterparties are recorded to interest expense as a yield adjustment to effectively fix the otherwise variable rate interest expense associated with the Term and Revolving Loans for hedge notional amounts.

A summary of the effect of derivative instruments on the Company's Condensed Consolidated Statements of Comprehensive Earnings (Unaudited) and recognized in AOCE for the three and nine months ended September 30, 2016 and 2015 are as follows (in millions):

Derivatives in cash flow hedging relationships	Amount of gain (loss) recognized in AOCE on derivatives		Location of loss reclassified from AOCE into income	Amount of gain (loss) reclassified from AOCE into income	
	Three months ended September 30,			Three months ended September 30,	
	2016	2015		2016	2015
Interest rate derivative contracts	\$ 3	\$ (1)	Interest expense	\$ (4)	\$ (1)

  

Derivatives in cash flow hedging relationships	Amount of gain (loss) recognized in AOCE on derivatives		Location of loss reclassified from AOCE into income	Amount of gain (loss) reclassified from AOCE into income	
	Nine months ended September 30,			Nine months ended September 30,	
	2016	2015		2016	2015
Interest rate derivative contracts	\$ (9)	\$ (4)	Interest expense	\$ (8)	\$ (3)

Less than \$1 million of the balance in AOCE as of September 30, 2016, is expected to be reclassified into income over the next twelve months.

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Our existing cash flow hedges are highly effective and there was no impact on earnings due to hedge ineffectiveness. It is our practice to execute such instruments with credit-worthy banks at the time of execution and not to enter into derivative financial instruments for speculative purposes. As of September 30, 2016, we believe that our interest rate swap counterparties will be able to fulfill their obligations under our agreements, and we believe we will have debt outstanding through the various expiration dates of the swaps such that the forecasted transactions remain probable of occurring.

We also use currency forward contracts to manage our exposure to fluctuations in costs caused by variations in Indian Rupee ("INR") exchange rates. As of September 30, 2016, the notional amount of these derivatives was approximately \$14 million and the fair value was nominal. These INR forward contracts are designated as cash flow hedges. The fair value of these currency forward contracts is determined using currency exchange market rates, obtained from reliable, independent, third party banks, at the balance sheet date. The fair value of forward contracts is subject to changes in currency exchange rates. The Company has no ineffectiveness related to its use of currency forward contracts in connection with INR cash flow hedges.

## **(9) Commitments and Contingencies**

### ***Litigation***

In the ordinary course of business, the Company is involved in various pending and threatened litigation matters related to operations, some of which include claims for punitive or exemplary damages. The Company believes no actions, other than the matters listed below, depart from customary litigation incidental to its business. As background to the disclosure below, please note the following:

- These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities.
- The Company reviews all of its litigation on an on-going basis and follows the authoritative provisions for accounting for contingencies when making accrual and disclosure decisions. A liability must be accrued if (a) it is probable that a liability has been incurred and (b) the amount of loss can be reasonably estimated. If one of these criteria has not been met, disclosure is required when there is at least a reasonable possibility that a material loss may be incurred. When assessing reasonably possible and probable outcomes, the Company bases decisions on the assessment of the ultimate outcome following all appeals. Legal fees associated with defending litigation matters are expensed as incurred.

### ***DataTreasury Corporation v. Fidelity National Information Services, Inc. et. al.***

On May 28, 2013, DataTreasury Corporation (the "Plaintiff") filed a patent infringement lawsuit against the Company and multiple banks in the U.S. District Court for the Eastern District of Texas, Marshall Division. Plaintiff alleges that the Company infringes the patents at issue by making, using, selling or offering to sell systems and methods for image-based check processing. The Plaintiff seeks damages, injunctive relief and attorneys' fees for the alleged infringement of two patents. On October 25, 2013, the Company filed for covered business method ("CBM") post-grant reviews of the validity of the Plaintiff's asserted patents at the U.S. Patent and Trademark Office ("USPTO"). The Company filed a Motion to Stay the case pending the outcome of the CBM post-grant reviews. On April 29, 2014, the USPTO instituted the Company's two CBM petitions. On August 14, 2014, the Court granted the Company's Motion to Stay the litigation pending the outcome of the CBM review proceedings. On April 29, 2015, the Patent Trial and Appeal Board ("PTAB") issued final written decisions on the Company's two CBM petitions holding that all claims of the Plaintiff's two patents are unpatentable ("Final Written Decisions"). On August 27, 2015, the Plaintiff filed a notice of appeal to the U.S. Court of Appeals for the Federal Circuit of the USPTO's Final Written Decisions. On October 13, 2016, the Federal Circuit affirmed the USPTO's Final Written Decisions finding the Plaintiff's two patents to be unpatentable. Following this favorable decision, we believe the possibility of an adverse outcome in this matter is remote, and will hereafter discontinue discussing it in our financial statement footnotes absent some unexpected change.

### ***Acquired Contingencies (SunGard)***

The Company became responsible for certain contingencies which were assumed in the SunGard acquisition. These matters include unclaimed property examinations and tax compliance matters. The Condensed Consolidated Balance Sheet as of September 30, 2016 includes a liability of \$107 million related to these matters. Of this liability, \$11 million is considered provisional and is subject to further change as these contingencies are finalized. Changes in this provisional liability during the

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measurement period that result from new information about facts and circumstances that existed at the acquisition date are reflected in our purchase accounting for the SunGard acquisition, not through our income statement.

#### ***Reliance Trust Claims***

Reliance Trust Company, the Company's subsidiary, is named as a defendant in a class action arising out of its provision of services as the outside trustee for a 401(k) Plan. Plaintiffs in the action seek damages and attorneys' fees, as well as equitable relief, for alleged breaches of fiduciary duty and prohibited transactions under the Employee Retirement Income Security Act of 1974. The action also makes claims against the Plan's sponsor and recordkeeper. Reliance Trust Company is vigorously defending the action and believes that it has meritorious defenses. While we believe that the ultimate resolution of the matter will not have a material impact on our financial condition, we are unable at this time to make an estimate of potential losses arising from the action because the matter is at an early state and involves unresolved questions of fact and law.

#### ***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 nine claims against Servicos asserting potential tax liabilities of approximately \$14 million. There are potentially 27 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 \$58 million making the total potential exposure for all 36 claims approximately \$72 million. We do not believe a liability for these 36 total claims is probable or reasonably estimable and, therefore, have not recorded a liability for any of these claims.

#### ***Indemnifications and Warranties***

The Company generally indemnifies its customers, 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, and 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) Segment Information**

In 2015, FIS finalized a reorganization and began reporting its financial performance based on three segments: Integrated Financial Solutions ("IFS"), Global Financial Solutions ("GFS") and Corporate and Other. We recast all previous periods to conform to the new segment presentation. Following the November 30, 2015 SunGard acquisition, SunGard was included within the GFS segment as its economic characteristics, international business model, and various other factors largely aligned with those of our GFS segment. As we have further integrated the businesses in 2016, we have reclassified certain SunGard solutions that are oriented more to the retail banking and payments activities of IFS into that segment (corporate liquidity and wealth management). Certain other non-strategic businesses from both SunGard (public sector and education) and legacy FIS (commercial services and check processing) have been reclassified to the Corporate and Other segment, as have SunGard administrative expenses. Prior periods have been reclassified to conform to the current segment presentation.

Adjusted EBITDA is defined as EBITDA (defined as net income (loss) before net interest expense, income tax provision (benefit) and depreciation and amortization, including amortization of purchased intangibles), plus 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

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conformity with Accounting Standards Codification 280, Segment Reporting. The non-operating items affecting the segment profit measure generally include acquisition accounting adjustments, acquisition, integration and severance costs, and restructuring expenses. For consolidated reporting purposes, 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.

As of and for the three months ended September 30, 2016 (in millions):

	IFS	GFS	Corporate and Other	Total
Processing and services revenues	\$ 1,124	\$ 1,068	\$ 117	\$ 2,309
Operating expenses	738	789	384	1,911
Depreciation and amortization from continuing operations	71	64	13	148
Purchase accounting amortization	—	—	144	144
EBITDA	457	343	(110)	690
Acquisition deferred revenue adjustment	—	—	37	37
Acquisition, integration and severance costs	—	—	39	39
Adjusted EBITDA	\$ 457	\$ 343	\$ (34)	766
EBITDA				\$ 690
Interest expense				98
Depreciation and amortization from continuing operations				148
Purchase accounting amortization				144
Other income (expense) unallocated				(6)
Provision for income taxes				103
Net earnings from discontinued operations				—
Net earnings attributable to noncontrolling interest				6
Net earnings attributable to FIS common stockholders				\$ 185
Capital expenditures (1)	\$ 82	\$ 79	\$ 8	\$ 169
Total assets (2)	\$ 10,179	\$ 9,131	\$ 6,820	\$ 26,130
Goodwill	\$ 7,670	\$ 6,443	\$ 456	\$ 14,569

(1) Capital expenditures for the three months ended September 30, 2016 include \$16 million of capital leases.

(2) Total assets as of September 30, 2016 exclude \$4 million related to discontinued operations.

As of and for the three months ended September 30, 2015 (in millions):

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	IFS	GFS	Corporate and Other	Total
Processing and services revenues	\$ 944	\$ 539	\$ 96	\$ 1,579
Operating expenses	598	432	211	1,241
Depreciation and amortization from continuing operations	58	34	13	105
Purchase accounting amortization	—	—	50	50
EBITDA	404	141	(52)	493
Acquisition, integration and severance costs	—	—	36	36
Adjusted EBITDA	<u>\$ 404</u>	<u>\$ 141</u>	<u>\$ (16)</u>	<u>\$ 529</u>
EBITDA				\$ 493
Interest expense				36
Depreciation and amortization from continuing operations				105
Purchase accounting amortization				50
Other income (expense) unallocated				(20)
Provision for income taxes				100
Net loss from discontinued operations				(2)
Net earnings attributable to noncontrolling interest				5
Net earnings attributable to FIS common stockholders				<u>\$ 175</u>
Capital expenditures	<u>\$ 47</u>	<u>\$ 37</u>	<u>\$ 3</u>	<u>\$ 87</u>
Total assets (1)	<u>\$ 8,701</u>	<u>\$ 3,610</u>	<u>\$ 1,876</u>	<u>\$ 14,187</u>
Goodwill	<u>\$ 6,636</u>	<u>\$ 1,963</u>	<u>\$ 163</u>	<u>\$ 8,762</u>

(1) Total assets as of September 30, 2015 exclude \$1 million related to discontinued operations.

For the nine months ended September 30, 2016 (in millions):

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	IFS	GFS	Corporate and Other	Total
Processing and services revenues	\$ 3,407	\$ 3,106	\$ 282	\$ 6,795
Operating expenses	2,279	2,415	1,236	5,930
Depreciation and amortization from continuing operations	204	183	44	431
Purchase accounting amortization	1	6	438	445
EBITDA	1,333	880	(472)	1,741
Acquisition deferred revenue adjustment	—	—	177	177
Acquisition, integration and severance costs	—	—	181	181
Adjusted EBITDA	1,333	880	(114)	2,099
EBITDA				1,741
Interest expense				284
Depreciation and amortization from continuing operations				431
Purchase accounting amortization				445
Other income (expense) unallocated				(8)
Provision for income taxes				200
Net earnings from discontinued operations				1
Net earnings attributable to noncontrolling interest				13
Net earnings attributable to FIS common stockholders				\$ 361
Capital expenditures (1)	\$ 212	\$ 221	\$ 31	\$ 464

(1) Capital expenditures for the nine months ended September 30, 2016 include \$18 million of capital leases.

For the nine months ended September 30, 2015 (in millions):

	IFS	GFS	Corporate and Other	Total
Processing and services revenues	\$ 2,803	\$ 1,606	\$ 312	\$ 4,721
Operating expenses	1,825	1,371	685	3,881
Depreciation and amortization from continuing operations	166	104	43	313
Purchase accounting amortization	—	—	150	150
EBITDA	1,144	339	(180)	1,303
Acquisition, integration and severance costs	—	—	59	59
Global restructure	—	—	45	45
Adjusted EBITDA	\$ 1,144	\$ 339	\$ (76)	\$ 1,407
EBITDA				\$ 1,303
Interest expense				109
Depreciation and amortization from continuing operations				313
Purchase accounting amortization				150
Other income (expense) unallocated				130
Provision for income taxes				314
Net loss from discontinued operations				(7)
Net earnings attributable to noncontrolling interest				14
Net earnings attributable to FIS common stockholders				\$ 526
Capital expenditures (1)	\$ 174	\$ 122	\$ 12	\$ 308

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(1) Capital expenditures for the nine months ended September 30, 2015 include \$2 million of capital leases.

Clients in Brazil, the United Kingdom, France and Germany accounted for the majority of the revenues from clients based outside of North America for all periods presented. Long-term assets, excluding goodwill and other intangible assets, located outside of the United States total \$527 million and \$359 million as of September 30, 2016 and 2015, respectively. These assets are predominantly located in Brazil, India, Germany and the United Kingdom.

***Integrated Financial Solutions ("IFS")***

The IFS segment is primarily focused on serving the North American regional and community bank market for transaction and account processing, payment solutions, channel solutions (including lending and wealth management solutions), digital channels, risk and compliance solutions, and services, capitalizing on the continuing trend to outsource these solutions. IFS also includes corporate liquidity and wealth management solutions acquired in the SunGard acquisition. IFS' primary software applications function as the underlying infrastructure of a financial institution's processing environment. These applications include core bank processing software, which banks use to maintain the primary records of their customer accounts, and complementary applications and services that interact directly with the core processing applications. Clients in this segment include regional and community banks, credit unions, commercial lenders, independent community and savings institutions as well as government institutions, merchants and other commercial organizations. This market is primarily served through integrated solutions and characterized by multi-year processing contracts that generate highly recurring revenues. The predictable nature of cash flows generated from this segment provides opportunities for further investments in innovation, product integration, information and security, and compliance in a cost effective manner.

***Global Financial Solutions ("GFS")***

The GFS segment is focused on serving the largest financial institutions around the globe with banking and payments solutions, as well as consulting and transformation services. The GFS segment has extended its reach through the SunGard acquisition, and now also delivers a broader array of capital markets and asset management and insurance solutions and services. We have two operating segments within GFS, International Banking & Payments and Institutional & Wholesale, which are differentiated by solution type and have been aggregated to form the Global Financial Solutions reportable segment. International Banking & Payments provides solutions designed to meet the needs of the retail banking customers of global and international financial institutions, while Institutional & Wholesale is focused primarily on providing non-retail solutions to the global financial institutions we serve.

GFS clients include the largest global financial institutions, including those headquartered in the United States, as well as all international financial institutions we serve as clients in more than 130 countries around the world. These institutions face unique business and regulatory challenges and account for the majority of financial institution information technology spend globally. The purchasing patterns of GFS clients vary from those of IFS clients who typically purchase solutions on an outsourced basis. GFS 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 fully outsourced end-to-end solutions. We have long-established relationships with many of these financial institutions that generate significant recurring revenue. GFS clients now also include asset managers, buy- and sell-side securities and trading firms, insurers and private equity firms due to the addition of SunGard. This segment also includes the Company's consolidated Brazilian Venture (Note 2).

***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 marketing, corporate finance and accounting, human resources, legal, and amortization of acquisition-related intangibles and other costs that are not considered when management evaluates revenue generating segment performance, such as acquisition integration and severance costs. The Corporate and Other segment also includes the purchase accounting impact on revenue for 2016 of adjusting SunGard's deferred revenue as of the acquisition date to fair value.

## 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 statements made by our management 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 of the Company, business and market conditions, outlook, foreign currency exchange rates, expected dividends and share repurchases, the Company's sales pipeline and anticipated profitability and growth, as well as other statements about our expectations, hopes, intentions, or strategies regarding the future, are forward-looking statements. 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. Any statements that refer to beliefs, expectations, projections or other characterizations of future events or circumstances and other statements that are not historical facts are forward-looking statements. In many cases, you can identify forward-looking statements 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.

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

- the risk that 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 acquisitions may not be fully realized or may take longer to realize than expected;
- the risk of doing business internationally;
- changes in general economic, business and political conditions, including the possibility of intensified international hostilities, acts of terrorism, changes in either or both the United States and international lending, capital and financial markets and currency fluctuations;
- the effect of legislative initiatives or proposals, statutory changes, governmental or other applicable regulations and/or changes in industry requirements, including privacy 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 may result in the corruption or loss of data or customer information, interruption of business operations, 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;
- competitive pressures on pricing related to our solutions including the ability to attract new, or retain existing, customers;
- an operational or natural disaster at one of our major operations centers; and
- other risks detailed elsewhere in this document, 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 these 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 these forward-looking statements, whether as a result of new information, future

events or otherwise. You should carefully consider the possibility that actual results may differ materially from our forward-looking statements.

## **Overview**

FIS is a global leader in financial services technology with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 55,000 people worldwide and holds global leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, 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 applications and services that complement or enhance our existing offerings, diversifying our revenues by customer, geography and service offering. The completion of the SunGard acquisition on November 30, 2015 increased our existing portfolio to include solutions that automate a wide range of complex business processes for financial services institutions and corporate and government treasury departments.

In 2015, FIS finalized a reorganization and began reporting its financial performance based on three segments: Integrated Financial Solutions ("IFS"), Global Financial Solutions ("GFS") and Corporate and Other. We recast all previous periods to conform to the new segment presentation. Following the November 30, 2015 SunGard acquisition, SunGard was included within the GFS segment as its economic characteristics, international business model, and various other factors largely aligned with those of our GFS segment. As we have further integrated the businesses in 2016, we have reclassified certain SunGard businesses that are oriented more to the retail banking and payments activities of IFS into that segment (corporate liquidity and wealth management). Certain other non-strategic businesses from both SunGard (public sector and education) and legacy FIS (commercial services and check processing) have been reclassified to the Corporate and Other segment, as have SunGard administrative expenses. Prior periods also have been reclassified to conform to the current segment presentation. A description of these segments is included in Note 10. Revenues 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 recurring technology and processing services, consulting and professional services and software license fees. The majority of our revenue has historically been recurring, and has been provided under multi-year contracts that contribute relative stability to our revenue stream. These services, in general, are considered critical to our clients' operations. A significant portion of these recurring revenues is derived from transaction processing fees that fluctuate with the level of deposit accounts and card transactions, among other variable measures, associated with consumer and commercial activity. Consulting and professional services revenues are typically non-recurring, and sales of software licenses are less predictable, a portion of which can be regarded as discretionary spending by our clients. In the second half of 2015 and through the first nine months of 2016, we experienced the macroeconomic challenges related to the slowdown of the global economy. That trend impacts us predominantly in the amount our clients spend with us for professional services. We expect this trend to continue through the end of 2016.

The SunGard acquisition broadened our solution portfolio, enabling us to expand beyond our traditional banking and payments markets into the institutional and wholesale side of financial institutions as well as other buy-side organizations. It significantly expanded our existing solutions and client base in wealth management, treasury and corporate payments. These solutions are in demand among our regional and community financial institution clients as they look for ways to replace highly regulated fee revenues. The combination also favorably impacts our revenue mix, with a greater concentration of license revenues and higher margin services. Our revenues for the first nine months of 2016 included a \$177 million reduction of revenue as a result of the purchase accounting adjustment to reduce SunGard's deferred revenue to fair value. Similar reductions will be experienced throughout 2016 as the acquired deferred revenue balance runs off. Amortization of intangible assets acquired in the SunGard acquisition increased our cost of revenues by \$352 million for the first nine months of 2016. Amortization charges will continue to be recorded at varying rates through 2025. As we integrate SunGard into our existing operations, we anticipate significant cost savings in administration and technology expenses, with a goal of achieving annual synergy run-rate savings of \$200 million by the end of 2017. Certain one-time severance and other costs have been and will be incurred related to delivering these run-rate savings.

We are actively migrating a number of our financial institution clients to outsourced integrated technology solutions to improve their profitability and rapidly address increasing 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.

A realignment of resources in our GFS segment resulted in severance costs of \$45 million in the first quarter of 2015. The realignment activities were a combination of optimizing on-shore and off-shore resources as well as the removal of overlapping management resources.

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. We are focused on enabling our clients to deliver this experience to their customers through our integrated solutions and services. We continue to develop and invest in these integrated solutions and services to assist clients as they address this market demand.

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. We believe mobile payments will grow and partially replace existing payment tender volumes over time as consumers and merchants embrace the convenience, incremental services and benefits. Mobile payment volume is growing significantly but does not yet represent a meaningful amount of the payments market. Additionally, new formidable non-traditional payments competitors and large merchants are investing in and innovating mobile payment technologies to address the emerging market opportunity, and it is unclear the extent to which particular technologies or services will succeed. We believe the growth of mobile payments continues to present both an opportunity and a risk to us as the market develops. Although we cannot predict which mobile payment technologies or solutions will be successful, we cautiously believe our client relationships, payments infrastructure and experience, adapted solutions and emerging solutions are well-positioned to maintain or grow our clients' existing payment volumes, which is our focus.

High profile North American merchant payment card information security breaches have pushed the payment card industry towards Europay, MasterCard and VISA ("EMV") integrated circuit cards as financial institutions, card networks and merchants seek to improve information security and reduce fraud costs. We have invested in our card management solutions and card manufacturing and processing capabilities to accommodate EMV integrated circuit cards so we can guide our clients through this technology transition and grow our card-driven businesses. We believe the trend to migrate to EMV cards will continue through the rest of 2016.

The use of checks continues to decline as a percentage of total payments, which negatively impacts our check warranty and item-processing businesses, and we expect this trend to continue. In 2015 and through the first nine months of 2016, we observed a modest slowdown in our check volume decline and to date have been able to successfully mitigate the majority of the impacts of this decline through cost and fraud efficiency actions and new market solutions, which remain our continued focus.

We anticipate consolidation within the banking industry will continue, primarily in the form of merger and acquisition activity, which we believe as a whole is detrimental to our business. 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 licensed 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 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 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 in-house 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.

Notwithstanding challenging global economic conditions, our international business continued to experience growth across all major regions, including Europe and Asia, on a constant currency basis during the first nine months of 2016. By comparison with FIS, a greater percentage of SunGard's revenues have been concentrated historically in international markets, which has contributed to this growth trend. Demand for our solutions will also continue to be driven in developing countries by government-led financial inclusion policies aimed 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 European revenue is generated by clients in the United Kingdom, France and Germany. In 2015, we experienced adverse currency impacts in our international businesses as a consequence of a relative strengthening of the U.S. dollar.

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, disrupting operations, causing denial of service events, corrupting data, and stealing 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. This includes both capital expenditures and operating expenses on 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***

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, 2015.

### ***Transactions with Related Parties***

See Note 2 to the Notes to Condensed Consolidated Financial Statements (Unaudited) for a detailed description of transactions with related parties.

**Comparisons of three-month and nine-month periods ended September 30, 2016 and 2015**
**Consolidated Results of Operations (Unaudited)**  
*(in millions, except per share amounts)*

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Processing and services revenues	\$ 2,309	\$ 1,579	\$ 6,795	\$ 4,721
Cost of revenues	1,527	1,022	4,680	3,162
Gross profit	782	557	2,115	1,559
Selling, general, and administrative expenses	384	219	1,250	719
Operating income	398	338	865	840
Other income (expense):				
Interest expense, net	(98)	(36)	(284)	(109)
Other income (expense), net	(6)	(20)	(8)	130
Total other income (expense), net	(104)	(56)	(292)	21
Earnings from continuing operations before income taxes	294	282	573	861
Provision for income taxes	103	100	200	314
Earnings from continuing operations, net of tax	191	182	373	547
Earnings (loss) from discontinued operations, net of tax	—	(2)	1	(7)
Net earnings	191	180	374	540
Net earnings attributable to noncontrolling interest	(6)	(5)	(13)	(14)
Net earnings attributable to FIS common stockholders	\$ 185	\$ 175	\$ 361	\$ 526
Net earnings per share — basic from continuing operations attributable to FIS common stockholders	\$ 0.57	\$ 0.63	\$ 1.11	\$ 1.89
Net earnings (loss) per share — basic from discontinued operations attributable to FIS common stockholders	—	(0.01)	—	(0.02)
Net earnings per share — basic attributable to FIS common stockholders	\$ 0.57	\$ 0.62	\$ 1.11	\$ 1.87
Weighted average shares outstanding — basic	326	280	325	282
Net earnings per share — diluted from continuing operations attributable to FIS common stockholders	\$ 0.56	\$ 0.62	\$ 1.09	\$ 1.87
Net earnings (loss) per share — diluted from discontinued operations attributable to FIS common stockholders	—	(0.01)	—	(0.02)
Net earnings per share — diluted attributable to FIS common stockholders	\$ 0.56	\$ 0.62	\$ 1.10	\$ 1.85
Weighted average shares outstanding — diluted	330	284	329	285
Amounts attributable to FIS common stockholders:				
Net earnings from continuing operations	\$ 185	\$ 177	\$ 360	\$ 533
Net earnings (loss) from discontinued operations	—	(2)	1	(7)
Net earnings attributable to FIS	\$ 185	\$ 175	\$ 361	\$ 526

Amounts in table may not sum due to rounding.

**Processing and Services Revenues**

Processing and services revenues totaled \$2,309 million and \$1,579 million during the three-month periods and \$6,795 million and \$4,721 million during the nine-month periods ended September 30, 2016 and 2015, respectively. Processing and services revenues for the three-month and nine-month periods ended September 30, 2016 included approximately \$16 million and \$80 million, respectively of unfavorable foreign currency impact, primarily resulting from a stronger U.S. Dollar versus the British Pound Sterling and during the nine-month period ended September 30, 2016, the Brazilian Real. Excluding the unfavorable foreign currency impact, revenue increases for the three and nine months ended September 30, 2016 as compared

to 2015 were primarily attributable to incremental revenues from the SunGard acquisition, growth in debit payments and card production activities associated with the roll-out of EMV across the industry, growth in output solutions, and demand for risk and compliance solutions. Our revenues included a \$37 million and \$177 million reduction of revenue during the three and nine months ended September 30, 2016, respectively, as a result of the purchase accounting adjustment to reduce SunGard acquired deferred revenue to fair value. See "Segment Results of Operations (Unaudited)" under Item 2 of this Quarterly Report for more detailed explanation.

### ***Cost of Revenues and Gross Profit***

Cost of revenues totaled \$1,527 million and \$1,022 million during the three-month periods and \$4,680 million and \$3,162 million during the nine-month periods ended September 30, 2016 and 2015, respectively, resulting in gross profit of \$782 million and \$557 million during the respective three-month periods and \$2,115 million and \$1,559 million during the nine-month periods. Gross profit as a percentage of revenues was 33.9% and 35.3% during the three-month periods and 31.1% and 33.0% during the nine-month periods ended September 30, 2016 and 2015, respectively. The change in gross profit during the 2016 period as compared to 2015 primarily resulted from the revenue variances noted above. The gross profit percentages during the three-months and nine-months ended September 30, 2016 as compared to the 2015 periods were negatively impacted by higher acquired intangible asset amortization expense resulting from the SunGard acquisition. This negative impact was partially offset by the addition of higher margin revenues from SunGard as well as on-going operating leverage in key markets outside of North America.

### ***Selling, General and Administrative Expenses***

Selling, general and administrative expenses totaled \$384 million and \$219 million during the three-month periods and \$1,250 million and \$719 million during the nine-month periods ended September 30, 2016 and 2015, respectively. The year-over-year increases primarily resulted from incremental expenses from SunGard, including integration and severance.

### ***Operating Income***

Operating income totaled \$398 million and \$338 million during the three-month periods and \$865 million and \$840 million during the nine-month periods ended September 30, 2016 and 2015, respectively. Operating income as a percentage of revenue ("operating margin") was 17.2% and 21.4% during the three-month periods and 12.7% and 17.8% during the nine-month periods ended September 30, 2016 and 2015, respectively. The changes in operating income for the three and nine-month periods of 2016 as compared to 2015 resulted from the variances addressed above. The decrease in operating margin resulted primarily from higher acquired intangible asset amortization expense and other incremental integration and severance costs.

### ***Total Other Income (Expense), Net***

Total other income (expense), net was \$(104) million and \$(56) million during the three-month periods and \$(292) million and \$21 million during the nine-month periods ended September 30, 2016 and 2015, respectively. Interest expense, net increased \$62 million during the three-month period and \$175 million during the nine-month period ended September 30, 2016 as compared to 2015 primarily due to higher outstanding debt associated with financing the SunGard acquisition. During the second quarter of 2015, we sold certain assets associated with our gaming industry check warranty business, resulting in proceeds of \$238 million and a pre-tax gain of \$139 million, which is included in Other income (expense), net during the nine months ended September 30, 2015.

### ***Provision for Income Taxes***

Income tax expense from continuing operations totaled \$103 million and \$100 million during the three-month periods and \$200 million and \$314 million during the nine-month periods ended September 30, 2016 and 2015, resulting in effective tax rates from continuing operations of 35% and 36% for the three month periods and 35% and 36% for the nine month periods, respectively. The effective tax rate during the nine months ended September 30, 2015 included a \$90.1 million write-off of goodwill with no tax basis in connection with the sale of our gaming industry check warranty business.

### ***Earnings from Continuing Operations, Net of Tax, Attributable to FIS Common Stockholders***

Earnings from continuing operations, net of tax, attributable to FIS common stockholders totaled \$185 million and \$177 million resulting in earnings per diluted share of \$0.56 and \$0.62 for the three-month periods and \$360 million and \$533 million resulting in earnings per diluted share of \$1.09 and \$1.87 for the nine-month periods ended September 30, 2016 and

2015, respectively. These results reflect the variances described above as well as the increase in shares outstanding from the SunGard acquisition.

### **Segment Results of Operations (Unaudited)**

Adjusted EBITDA is defined as EBITDA (defined as net income (loss) before net interest expense, income tax provision (benefit) and depreciation and amortization, including amortization of purchased intangibles), plus 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 Accounting Standards Codification 280, Segment Reporting. The non-operating items affecting the segment profit measure generally include acquisition accounting adjustments, acquisition, integration and severance costs, and restructuring expenses. For consolidated reporting purposes, 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 our adjustments to EBITDA, for each of our segments is set forth in Note 10 to the condensed consolidated financial statements (unaudited) included in Part I of this Quarterly Report.

### **Integrated Financial Solutions (in millions)**

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Processing and services revenues	\$ 1,124	\$ 944	\$ 3,407	\$ 2,803
Adjusted EBITDA	\$ 457	\$ 404	\$ 1,333	\$ 1,144

#### **Three months ended September 30:**

Processing and services revenues increased \$180 million, or 19.1%, due to incremental revenues from the SunGard acquisition contributing 14.2%, volume growth in debit payments and card production activities associated with the roll-out of EMV across the industry contributing 2.8%, and demand for regulatory and compliance solutions and IT and output solutions contributing 1.8%.

Adjusted EBITDA increased \$53 million, or 13.1%, primarily resulting from the revenue variances noted above. Adjusted EBITDA margin decreased 210 basis points to 40.7% primarily resulting from a change in revenue mix and higher incentive compensation.

#### **Nine months ended September 30:**

Processing and services revenues increased \$604 million, or 21.5%, primarily attributable to incremental revenues from the SunGard acquisition contributing 14.2%, volume growth in debit payments and card production activities associated with the roll-out of EMV across the industry contributing 2.2%, and demand for regulatory and compliance solutions and IT and output solutions contributing 3.7%.

Adjusted EBITDA increased \$189 million, or 16.5%, primarily resulting from the revenue variances noted above. Adjusted EBITDA margins decreased 170 basis points to 39.1% primarily resulting from revenue mix and higher incentives.

### **Global Financial Solutions (in millions)**

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Processing and services revenues	\$ 1,068	\$ 539	\$ 3,106	\$ 1,606
Adjusted EBITDA	\$ 343	\$ 141	\$ 880	\$ 339

#### **Three months ended September 30:**

Processing and services revenues increased \$529 million, or 98.1%, including approximately \$14 million of unfavorable foreign currency impact, primarily resulting from a stronger U.S. Dollar versus the British Pound Sterling. Excluding the foreign currency impact, revenue increases were primarily attributable to incremental revenues from the SunGard acquisition contributing 92.1%, growth in payment processing in Brazil contributing 2.0%, and growth in retail banking and payment processing in Asia Pacific region contributing 1.3%.

Adjusted EBITDA increased \$202 million, or 143.3%, primarily resulting from the revenue variances noted above. Adjusted EBITDA margins increased 590 basis points to 32.1% primarily resulting from the addition of higher margin revenues from SunGard as well as recognition of expense synergies.

**Nine months ended September 30:**

Processing and services revenues increased \$1,500 million, or 93.4%, including approximately \$75 million of unfavorable foreign currency impact, primarily resulting from a stronger U.S. Dollar versus the Brazilian Real. Excluding the foreign currency impact, revenue increases were primarily attributable to incremental revenues from the SunGard acquisition contributing 95.7%, growth in payment processing in Brazil contributing 1.6%, and growth in retail banking and payment processing in Asia Pacific region contributing 1.0%.

Adjusted EBITDA increased \$541 million, or 159.6%, primarily resulting from the revenue variances noted above. Adjusted EBITDA margins increased 720 basis points to 28.3% primarily resulting from the addition of higher margin revenues from SunGard as well as recognition of expense synergies.

**Corporate and Other  
(in millions)**

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Processing and services revenues	\$ 117	\$ 96	\$ 282	\$ 312
Adjusted EBITDA	\$ (34)	\$ (16)	\$ (114)	\$ (76)

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 non-strategic businesses, including commercial services, public sector and education, and check processing.

**Three months ended September 30:**

Processing and services revenues increased \$21 million, or 21.9%, despite a \$37 million purchase accounting impact on deferred revenue (all of which was recorded as a contra-revenue item in the Corporate and Other segment). Excluding the purchase accounting impact, the revenue increase compared to the 2015 period was primarily attributable to incremental revenues from the SunGard acquisition.

Adjusted EBITDA decreased \$18 million, or 112.5%, primarily resulting from the revenue variances noted above and incremental expenses from the SunGard acquisition.

**Nine months ended September 30:**

Processing and services revenues decreased \$30 million, or 9.6%, including a \$177 million purchase accounting impact on deferred revenue (all of which was recorded as a contra-revenue item in the Corporate and Other segment). Excluding the purchase accounting impact, revenue increased \$147 million, or 47.2%, primarily attributable to incremental revenues from the SunGard acquisition contributing 62.3%, partially offset by the divestiture of our check gaming business in the second quarter of 2015 contributing -5.5%.

Adjusted EBITDA losses increased \$38 million, or 50.0%, primarily resulting from acquisition, integration, and severance related costs.

## **Liquidity and Capital Resources**

### ***Cash Requirements***

Our ongoing cash requirements include operating expenses, income taxes, mandatory debt service payments, capital expenditures, stockholder dividends, working capital and timing differences in settlement-related assets and liabilities, and may include discretionary debt payments, share repurchases and business acquisitions. Our principal sources of funds are cash generated by operations and borrowings, including the capacity under our Revolving Loan described in Note 7 to the Notes to Condensed Consolidated Financial Statements (Unaudited).

As of September 30, 2016, we had cash and cash equivalents of \$701 million and long-term debt of \$10.8 billion, including the current portion, net of capitalized debt issuance costs. Of the \$701 million cash and cash equivalents, approximately \$508 million is held by our foreign entities and would generally be subject to U.S. income taxation upon repatriation to the U.S. The majority of our U.S. cash and cash equivalents represents net deposits-in-transit at the balance sheet dates and relates to daily settlement activity. We expect that cash and cash equivalents plus cash flows from operations over the next twelve 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. However, the amount, declaration and payment of future dividends is at the discretion of the Board of Directors and depends on, among other things, our investment opportunities, results of operations, financial condition, cash requirements, future prospects, 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 \$0.26 per common share was paid on September 30, 2016 to shareholders of record as of the close of business on September 16, 2016.

### ***Cash Flows from Operations***

Cash flows from operations were \$1,342 million and \$698 million during the nine-month periods ended September 30, 2016 and 2015, respectively. Our net cash provided by operating activities consist primarily of net earnings, adjusted to add back depreciation and amortization. Cash flows from operations were \$644 million higher in the 2016 period primarily due to increased cash flow provided by the SunGard acquisition.

### ***Capital Expenditures and Other Investing Activities***

Our principal capital expenditures are for computer software (purchased and internally developed) and additions to property and equipment. We invested approximately \$446 million and \$306 million in capital expenditures (excluding capital leases) during the nine-month periods ended September 30, 2016 and 2015, respectively. The increased investment reflects the addition of SunGard to our operations.

### ***Financing***

In August the Company completed a debt refinancing that increased liquidity, extended tenor of the debt and locked in attractive interest rates. For more information regarding the Company's long-term debt and financing activity, see Note 7 to the Notes to Condensed Consolidated Financial Statements (Unaudited). There were no share repurchases during the nine months ended September 30, 2016 compared to \$300 million in the comparable 2015 period.

### ***Contractual Obligations***

There were no material changes in our contractual obligations during the first nine months of 2016 in comparison to the table included in our Annual Report on Form 10-K as filed on February 26, 2016, except as disclosed in Note 7 to the Notes to Condensed Consolidated Financial Statements (Unaudited).

### ***Off-Balance Sheet Arrangements***

We do not have any off-balance sheet arrangements.

## **Recent Accounting Pronouncements**

### *Recently Adopted Accounting Guidance*

In April 2015, the FASB issued Accounting Standards Update No. 2015-05 (“ASU 2015-05”), “Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement.” This guidance was designed to help entities evaluate whether fees paid by a customer in a cloud computing arrangement include a software license to internal-use software or whether the arrangement should be accounted for as a service contract. The amendments also supersede paragraph 350-40-25-16, which provided that an entity should analogize to operating lease guidance in accounting for some software licenses (that is, even when an entity obtained a software license, it accounted for the arrangement as executory in nature or as a prepaid vs. a capital asset). As a result of the amendments, all software licenses in the scope of Subtopic 350-40 will be accounted for in the same manner, consistent with the accounting for other licenses of intangible assets. The guidance was effective January 1, 2016, and we have elected to apply it prospectively to all arrangements entered into or materially modified after the effective date. Through September 30, 2016, the new guidance has not had a material impact on our financial position or results of operations. However, we do expect the amendment superseding the analogy to lease accounting to result in higher capitalization of fees paid to vendors or commitments under vendor arrangements, and as a result, higher amortization expense versus the classification as subscription service expense under the previous guidance.

#### *Recent Accounting Guidance Not Yet Adopted*

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASU 2014-09”). ASU 2014-09 amends substantially all authoritative literature for revenue recognition, including industry-specific requirements, and converges the guidance under this topic with that of the International Financial Reporting Standards. The ASU implements a five-step process for customer contract revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards. The amendment also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. Other provisions include ensuring the time value of money is considered in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The effective date to the amendments was postponed to reporting periods beginning after December 15, 2017, with early adoption allowed for reporting periods beginning after December 15, 2016. Entities can transition to the standard either with retrospective application to the earlier years presented in their financial statements or with a cumulative-effect adjustment as of the date of adoption. We are currently assessing the impact the adoption of ASU 2014-09 and subsequent related updates will have on our financial position and results of operations as well as the transition method we expect to employ.

On February 25, 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” (“ASU 2016-02”). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. The pronouncement requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expire before the earliest comparative period presented. A full retrospective transition approach is not permitted. Public business entities should apply the amendments in ASU 2016-02 for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted. We are currently assessing the impact the adoption of ASU 2016-02 and subsequent related updates will have on our financial position and results of operations.

On March 30, 2016, the FASB issued Accounting Standards Update No. 2016-09 (“ASU 2016-09”), “Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting.” The amendments are intended to simplify and improve the accounting for employee share-based payments. Under the new guidance, all excess tax benefits and tax deficiencies over/under compensation expense recognized will be reflected in the income statement as they occur. This will replace the current guidance, which requires tax benefits that exceed compensation expense (windfalls) to be recognized in equity. It will also eliminate the need to maintain a “windfall pool,” and will remove the requirement to delay recognizing a windfall until it reduces current taxes payable. The new guidance will also change the cash flow presentation of excess tax benefits, classifying them as operating inflows, consistent with other cash flows related to income taxes. Under current guidance, windfalls are classified as financing activities. These changes may result in more volatile net earnings. Similarly, effective tax rates will be subject to more variability since the new guidance reflects all tax benefit excesses and deficiencies in tax expense. Under current practice, stock compensation generally does not impact the effective tax rate since any difference between compensation expense and the ultimate tax deduction is reflected in additional paid in capital. Also under the new guidance, excess tax benefits will no longer be included in assumed proceeds from applying the treasury stock method when computing diluted earnings per share since they will no longer be recognized in additional paid in capital.

Consequently, the reduction to common stock equivalents for assumed purchases from proceeds will be lower and the impact of common stock equivalents will be more dilutive. For public companies, the amendments are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted for any organization in any interim or annual period. We expect to adopt the ASU in January 2017. During 2015, 2014 and 2013, we recorded \$29 million, \$40 million and \$40 million, respectively, to consolidated equity as excess tax benefits from our stock plans.

On June 16, 2016, the FASB issued Accounting Standards Update No. 2016-13 (“ASU 2016-13”), “Financial Instrument - Credit Losses (Topic 326): Measurements on Credit Losses of Financial Instruments.” These amendments primary objectives are to implement new methodology for calculating credit losses on financial instruments (e.g., trade receivables) based on expected credit losses and broadens the types of information companies must use when calculating the estimated losses. Under current guidance, the credit losses are calculated based on multiple credit impairment objectives and recognition is delayed until the loss is probable to occur. Under the new guidance, financial assets measured at amortized cost basis must now be shown as the net amount expected to be collected. The credit loss allowance is a contra-valuation account. Available-for-sale securities should continue to be recognized in a similar manner to current GAAP; however, the allowance should be presented as an allowance instead of a write-down of the basis of the asset. For public companies that are SEC filers, the amendments are effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. Early adoption is permitted for any organization in any interim or annual period beginning after December 15, 2018. We do not plan to early adopt and expect that the new guidance will not have a material impact on our financial statement presentation, financial position, or results of operations.

On August 26, 2016, the FASB issued Accounting Standards Update No. 2016-15 (“ASU 2016-15”), “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments.” The amendments are meant to reduce the diversity in how certain cash receipts and cash payments are presented in the statement of cash flows. ASU 2016-15 provides guidance as to the presentation on the statement of cash flows for eight specific cash flow issues, which are 1) debt prepayment for debt extinguishment costs, 2) settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, 3) contingent consideration payments made after a business combination, 4) proceeds for the settlement of insurance claims, 5) proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies, 6) distributions received from equity method investees, 7) beneficial interests in securitization transactions, and 8) separately identifiable cash flows and application of the predominance principle. For public companies, the amendments are effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods beginning after December 15, 2019. Early adoption is permitted for any organization in any interim or annual period. We do not plan to early adopt and expect that the new guidance will not have a material impact on our financial statement presentation.

### **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. We 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 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.

The senior notes as described in Note 7 to the Notes to Condensed Consolidated Financial Statements (Unaudited) represent substantially all of our fixed-rate long-term debt obligations as of September 30, 2016. The carrying value of the senior notes was \$9,950 million as of September 30, 2016. The fair value of the senior notes was approximately \$10,475 million as of September 30, 2016.

Our floating rate long-term debt obligations principally relate to borrowings under the FIS Credit Agreements (as defined in Note 7 to the Notes to Condensed Consolidated Financial Statements (Unaudited)). An increase of 100 basis points in the LIBOR rate would increase our annual debt service under the FIS Credit Agreements, after we include the impact of our interest rate swaps, by less than \$1 million (based on principal amounts outstanding as of September 30, 2016). We performed the foregoing sensitivity analysis based on the principal amount of our floating rate debt as of September 30, 2016, less the

principal amount of such debt that was then subject to an interest rate swap converting such debt into fixed rate debt. This sensitivity analysis is based solely on the principal amount of such debt as of September 30, 2016, and 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 or in the notional amount of outstanding interest rate swaps in respect of our debt. Further, in this sensitivity analysis, the change in interest rates is assumed to be applicable for an entire year. For comparison purposes, based on principal amounts of floating rate debt outstanding as of September 30, 2015, and calculated in the same manner as set forth above, an increase of 100 basis points in the LIBOR rate would have increased our annual interest expense, after we calculate the impact of our interest rate swaps, by \$16 million.

We use interest rate swaps for the purpose of managing our interest expense through the mix of fixed rate and floating rate debt. See Note 8 to the Notes to Condensed Consolidated Financial Statements (Unaudited) for the listing of interest rate swap transactions we have entered into as of September 30, 2016, converting a portion of the interest rate exposure on our Term and Revolving Loans from variable to fixed.

We have designated these interest rate swaps as cash flow hedges for accounting purposes. A portion of the amount included in accumulated other comprehensive earnings is reclassified into interest expense as a yield adjustment as interest payments are made on the Term and Revolving Loans. In accordance with the authoritative guidance for fair value measurements, the inputs used to determine the estimated fair value of our interest rate swaps are Level 2-type measurements. We considered our own credit risk and the credit risk of the counterparties when determining the fair value of our interest rate swaps.

### **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. Our objective is to minimize our exposure to these risks through a combination of normal operating activities and the use of foreign currency forward contracts. Contracts are denominated in currencies of major industrial countries.

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 revenues denominated in currencies other than the U.S. Dollar. During the three and nine months ended September 30, 2016, we generated approximately \$480 million and \$1,370 million, respectively, in revenues denominated in currencies other than the U.S. Dollar. The major currencies to which our revenues are exposed are the Brazilian Real, the Euro, the British Pound Sterling and the Indian Rupee. A 10% move 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 revenues for the three and nine months ended September 30, 2016 and 2015 (in millions):

Currency	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Euro	\$ 9	\$ 8	\$ 29	\$ 23
Pound Sterling	13	9	34	24
Real	9	7	23	22
Indian Rupee	3	2	9	8
Total increase (decrease)	<u>\$ 34</u>	<u>\$ 26</u>	<u>\$ 95</u>	<u>\$ 77</u>

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

Revenues included \$16 million and \$80 million of unfavorable foreign currency impact during the three and nine months ended September 30, 2016, respectively, resulting from a stronger U.S. Dollar during 2016 as compared to 2015. Net earnings included \$4 million and \$8 million of unfavorable foreign currency impact during the three and nine months ended September 30, 2016, respectively.

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 exchange contracts to hedge foreign currency exposure to intercompany loans. As of September 30, 2016, the notional amount of these derivatives was \$121 million and the fair value was nominal. These derivatives are intended to hedge the foreign exchange risks related to intercompany loans but have not been designated as hedges for accounting purposes.

We also use currency forward contracts to manage our exposure to fluctuations in costs caused by variations in Indian Rupee (“INR”) exchange rates. As of September 30, 2016, the notional amount of these derivatives was approximately \$14 million and the fair value was nominal. These INR forward contracts are designated as cash flow hedges. The fair value of these currency forward contracts is determined using currency exchange market rates, obtained from reliable, independent, third party banks, at the balance sheet date. The fair value of forward contracts is subject to changes in currency exchange rates. The Company has no ineffectiveness related to its use of currency forward contracts in connection with INR cash flow hedges.

#### **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 (the “Exchange Act”). Based on this evaluation, our principal executive officer and principal financial officer concluded that the 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.

We completed the SunGard acquisition on November 30, 2015. As indicated in our Annual Report on Form 10-K for the year ended December 31, 2015, we were not able to complete a review of the internal controls of the acquired business by year end due to the limited time available following the SunGard acquisition. As permitted by related SEC staff interpretive guidance, we excluded the acquired business from our 2015 annual assessment of the effectiveness of our internal control over financial reporting. During 2016, we are continuing the transition of SunGard to our accounting and reporting processes and the integration of their systems and processes into our framework of internal controls over financial reporting. These actions will result in changes in our processes and controls, and our assessment of the effectiveness of our internal controls over financial reporting including such changes will be concluded by the end of 2016.

There were no other 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.

## **Part II: OTHER INFORMATION**

### **Item 1. Legal Proceedings**

The information set forth under the Litigation section of the “Commitments and Contingencies” in Note 9 in the Notes to Condensed Consolidated Financial Statements (Unaudited) under Item 1F. of Part I of this report “Financial Information,” is incorporated herein by reference.

### **Item 1A. Risk Factors**

See “Item 1A. - Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 for a detailed discussion of risk factors affecting the Company. There have been no material changes in the Risk Factors described therein.

### **Item 6. Exhibits**

(a) Exhibits:

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	SEC File Number	Exhibit	Filing Date	
10.1	Severance Agreement and Release, dated as of October 28, 2016, by and among Fidelity National Information Services, Inc., and Frank R. Martire (1)					*
10.2	Agreement to Serve as Chairman of FIS' Board of Directors, dated as of October 28, 2016, by and among Fidelity National Information Services, Inc., and Frank R. Martire (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.					*
101.SCH+	XBRL Taxonomy Extension Schema Document.					*
101.CAL+	XBRL Taxonomy Extension Calculation Linkbase Document.					*
101.DEF+	XBRL Taxonomy Extension Definition Linkbase Document.					*
101.LAB+	XBRL Taxonomy Extension Label Linkbase Document.					*
101.PRE+	XBRL Taxonomy Extension Presentation Linkbase Document.					*

(1) Management contract or compensatory plan or arrangement.

\* Filed or furnished herewith

+ Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

**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: November 2, 2016

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: November 2, 2016

By: /s/ MICHAEL A. NUSSBAUM

Michael A. Nussbaum

Corporate Senior Vice President and  
Chief Accounting Officer  
(Principal Accounting Officer)

**FIDELITY NATIONAL INFORMATION SERVICES, INC.**  
**FORM 10-Q**  
**INDEX TO EXHIBITS**

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\* Filed or furnished herewith

+ Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SEVERANCE AGREEMENT AND RELEASE

In consideration for the mutual promises in this Severance Agreement and Release (this “Agreement”), **Fidelity National Information Services, Inc.** (together with its successors and assigns, “FIS” or the “Company”), on behalf of itself and each of its affiliates, and **Frank R. Martire** (“Employee” and, together with the Company, a “Party”) agree as follows. This Agreement is intended to amend and acknowledge performance of the Employment Agreement between the Parties dated March 31, 2009, as amended on December 1, 2009, March 12, 2012, January 1, 2015, and February 23, 2016 (the “Employment Agreement”).

1. Termination of Employment. On December 31, 2016 (the “Termination Date”), Employee’s employment with the Company as Executive Chairman of the FIS Board of Directors (the “Board”) will terminate without further action of the Parties. This termination will be treated as a Termination by the Company for a Reason Other than Cause, Death or Disability for purposes of the Employment Agreement. Employee and Company hereby waive any notice of termination that might otherwise be required under in the Employment Agreement or otherwise.

2. Severance Benefits. Following the Termination Date, the Company will pay/provide Employee the following amounts and benefits which, together, shall be considered the “Severance Benefits.” Employee agrees that timely provision of the Severance Benefits will satisfy all of the Company’s obligations to him under the Employment Agreement, and, upon payment/provision of the Severance Benefits, Employee will have received all payments or benefits to which he is entitled under the Employment Agreement. The Company and its affiliates may withhold from any amount or benefit payable under this Agreement or any other Company Arrangement taxes that they are required to withhold pursuant to any applicable law or regulation. The benefits described in clause (f) will be subject to Section 23 below.

(a) On or before January 15, 2017, the Company will pay Employee any unpaid salary due for service through the Termination Date.

(b) On or before March 15, 2017, the Company will pay Employee the Annual Bonus earned by him for 2016, the amount of such bonus to be determined based solely upon the degree to which the 2016 performance objectives previously established by the Company and the Compensation Committee of the Board of Directors are attained (and thus without the exercise of any negative discretion), and to be paid entirely in cash.

(c) On or about June 30, 2017, the Company will pay Employee a gross lump sum cash amount of \$7,200,000, which is equal to three times the sum of Employee’s Annual Base Salary for 2016 (\$800,000) and Employee’s target Annual Bonus for 2016 (\$1,600,000).

(d) On or about June 30, 2017, the Company will pay Employee a gross lump sum cash amount of \$170,640, which is equal to thirty-six times the monthly life insurance premiums that would be due if Employee ported his Company life insurance coverage in effect on the Termination Date.

(e) On the Termination Date, Employee will become fully vested in all outstanding, unvested equity grants made to him prior to the Termination Date, without regard to the degree to which any applicable performance objectives have been, or are later, attained. As of the Termination Date, all of Employee’s outstanding equity awards will be wholly non-forfeitable, and each of Employee’s outstanding stock options will be and remain exercisable until the earlier of the third anniversary of the Termination Date and the expiration of the option’s maximum stated term.

(f) Employee will, in addition, be entitled to timely provision of any other or additional benefits to which he is then, or thereafter becomes, entitled under the then applicable terms of any applicable plan, program, agreement, corporate governance document or arrangement of the Company or any of its affiliates (collectively, “Company Arrangements”) (e.g., reimbursement of business expenses, pay-out of unused vacation and personal days, 401k plan payouts, indemnification benefits, SunGard Synergy Bonus payments, etc.).

3. Employee agrees that the Severance Benefits include payments and benefits to which he would not otherwise be entitled. Subject to the payment/provision of the Severance Benefits, Employee affirms that he has been paid and/or has received all compensation, wages, bonuses, leaves, commissions and/or benefits to which Employee is entitled by virtue of his Employment Agreement. Concurrently with entering into this Agreement, the Parties will enter into an agreement entitled “Agreement to Serve as Chairman of the Board of Directors” in the form attached as Exhibit A to this Agreement (the “Chairman Agreement”). Based on consideration provided in the Chairman Agreement, Employee expressly waives any right to the lump sum COBRA subsidy provided for in Section 9(a)(v)(b) of the Employment Agreement. Notwithstanding anything in this Agreement or elsewhere to the contrary, amounts and benefits provided under this Agreement will be wholly non-forfeitable, except as required by law or under the Clawback Policy adopted by the Board’s Compensation Committee in December 2010.

4. The “Effective Date” of this Agreement shall be the later of the Termination Date and the eighth (8<sup>th</sup>) day after Employee has executed and returned this Agreement to the Company.

5. Employee, on Employee’s own behalf and on behalf of Employee’s agents, assigns, heirs, executors, and administrators (collectively, “Employee Releasers”), hereby waives, and releases and discharges the Company, its affiliates, and its and their owners, stockholders, officers, directors, employees, attorneys, agents, successors and assigns (collectively, “Company Released Parties”) from, any claim, demand, action, or cause of action, known or unknown, (collectively, “Claims”) that any Employee Releaser may have against any Company Released Party and that arose at any time up to the date Employee signs this Agreement, including, without limitation, any such Claim relating to, arising out of, or in any way connected with Employee’s employment with the Company or the ending of that employment, including, without limitation, any claim, demand, action, cause of action or right based on but not limited to: the Age Discrimination in Employment Act of 1967, as amended; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §§ 12101, et seq.; Sections 503 and 504 of the Rehabilitation Act; the Civil Rights Act of 1866, as amended, (42 U.S.C. §§ 1981, 1981A and 1988); the Family and Medical Leave Act, 29 U.S.C. §§ 2601, et seq., and any state or local family and medical leave laws, which require employers to provide leaves of absence under certain circumstances; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000e, et seq.; the Sarbanes Oxley Act of 2002; the Equal Pay Act; the Worker Adjustment and Retraining Notification (“WARN”) Act, and any state or local law that requires advance notice be given of certain work force reductions; the Uniformed Services Employment and Reemployment Rights Act (“USERRA”); the Employee Retirement Income Security Act, 29 U.S.C. §§ 1001, et seq.; the Genetic Information Nondiscrimination Act; any and all civil rights acts of any state including any state or local employment discrimination law and any state or local law that regulates employment or restricts an employer’s right to terminate employees; any state or local wage law, statute or ordinance; any claim of discrimination, harassment or retaliation; any existing employment agreement or potential entitlement under any Company program or plan including any claim to any bonus or commission; any claim for severance pay or for reimbursement of expenses; any duty or other employment-related obligation arising under the law of contract, tort or from any other type of statute, law or public policy (collectively, “Released Claims”). Excluded from the release in this Section 5, and thus from the Released Claims, is any Claim arising under or preserved by this Agreement; any Claim as an investor, creditor, or shareholder of the Company or any of its affiliates; any Claim for indemnification, advancement, or liability insurance coverage; and any Claim against any Company Released Party, other than the Company and its affiliates, that does not arise out of or relate to Employee’s employment with, or services for, the Company or its affiliates, or any termination thereof. **This is intended to be as complete a waiver as possible of**

**all Claims against any of the Company Released Parties to the extent set forth herein. This waiver is effective only as to those Claims that may properly be waived in this manner.**

Nothing in this Agreement or elsewhere shall be construed to prevent Employee from filing a charge or complaint, including a challenge to the validity of this Agreement, with the Equal Employment Opportunity Commission, or any similar state or local agency, or from participating in or cooperating with any investigation conducted by the Equal Employment Opportunity Commission or similar agency. Employee waives the right to monetary damages or other individual legal or equitable relief awarded in relation to any such charge against the Company.

6. With respect to Released Claims, Employee waives the right to money damages or other legal or equitable relief awarded by a governmental agency or court related to any claim filed against the Company or any Company Released Party. Employee further agrees, with respect to Released Claims, to withdraw any charge or claim for damages that have or may have been filed before any local, state or federal agency relating in any way to the Company or a Company Released Party, except as to any claim for unemployment compensation, workers' compensation or other related benefits. Nothing in this Agreement seeks to waive Employee's rights to bring claims for unemployment compensation, claims for workers' compensation benefits, or claims pursuant to any insurance or benefits plan.

7. In the event that any Employee Releasor brings any Released Claim against any Company Released Party, Employee shall fully and promptly indemnify such Company Released Party against any cost, expense or liability incurred by such Company Released Party in connection with such Released Claim, such indemnity to include without limitation prompt advancement of any legal fees or other expenses incurred by such Company Released Party in connection with such Released Claim.

8. The Company, on the Company's own behalf and on behalf of each of the other Company Released Parties, hereby waives, releases and discharges each of the Employee Releasors, and their attorneys, agents, successors and assigns, from any Claim that any Company Released Party may have against any Employee Releasor and that arose at any time up to the date that the Company signs this Agreement. Excluded from this Release is any Claim arising under or preserved by this Agreement; any Claim arising under any Company Arrangement; and any Claim by any Company Released Party other than the Company and its affiliates that does not arise out of or relate to Employee's employment with, or services for, the Company or its affiliates, or any termination thereof. In the event that any Company Released Party brings any Claim that is released under this Section 8 against any Employee Releasor, the Company shall fully and promptly indemnify such Employee Releasor against such Claim, such indemnity to include without limitation prompt advancement of any legal fees or other expenses incurred by such Employee Releasor in connection with such Claim.

9. The restrictions set forth in Sections 12, 13(b), 14 and 15 of the Employment Agreement shall continue to apply to Employee after the Termination Date in accordance with their terms, provided, however, that for this purpose the last sentence of Section 13(b) of the Employment Agreement (relating to waiving the one-year restricted period in the event of a termination without Cause) shall be disregarded, with the result that the restrictions in Section 13(b) of the Employment Agreement shall continue to apply until the first anniversary of the Termination Date before lapsing. There shall be no contractual or similar restriction on Employee's post-employment activities (including without limitation restrictions enforceable through loss of benefits to which Employee might otherwise be entitled) other than those specified in this Section 9.

10. The Company shall at all times, through at least the sixth anniversary of the date that Employee's service as a member of the Board terminates, maintain director and officer liability insurance coverage for Employee's benefit in a form at least as comprehensive as, and in an amount that is at least equal to, the coverage then maintained for any other present or former officer or director of the Company. In addition, as provided in Article V of the Company's charter and Article Five of the Company's bylaws, Employee shall be indemnified by the Company against any cost, expense, liability or loss incurred or suffered by him in

connection with any Claim, discovery request, or request for testimony or information, that is raised or threatened against him, or that is reasonably anticipated to be raised against him, and that arises out of or relates to his service for the Company or any of its affiliates, such indemnification to include prompt advancement of expenses (including without limitation attorney's fees), in each case to the fullest extent permitted under the Company's bylaws as of the Effective Date.

11. In the event of Employee's death or a judicial determination of his incompetence, references to Employee in this Agreement shall (where appropriate) be deemed to refer to his heir(s), beneficiar(ies), estate, executor(s) or other legal representative(s). Notwithstanding anything in this Agreement or elsewhere to the contrary, Employee shall at all times be entitled to: (a) retain, and use appropriately, (i) documents and information relating to his personal entitlements and obligations, and (ii) his rolodex (and electronic equivalents); (b) disclose documents and information in confidence to an attorney or other professional for the purpose of securing professional advice; and (c) make truthful statements, and disclose documents and information, (i) when required by law, subpoena, court order or the like, (ii) when requested by any governmental or self-regulatory authority, (iii) when protected by applicable "whistleblower" statutes, or (iv) as reasonably necessary to enforce his rights in a proceeding under Section 14 or otherwise. Employee shall be under no obligation to seek other employment or otherwise mitigate the obligations of the Company or any of its affiliates under this Agreement or otherwise, and there shall be no offset against amounts or benefits due Employee under this Agreement or otherwise on account of (x) any Claim that the Company or any of its affiliates may have against him or (y) any remuneration or other benefit earned or received by Employee after the Termination Date. Any amounts due to Employee under this Agreement are considered to be reasonable by the Company and are not in the nature of a penalty. In the event of any inconsistency between the terms of this Agreement or the Chairman Agreement and the terms of any other Company Arrangement, the terms of this Agreement and the Chairman Agreement shall control. Sections 10 and 23 of the Employment Agreement (relating respectively to certain excise taxes and to attorneys' fees) shall be deemed incorporated into this Agreement as if set forth verbatim in it. The Company shall promptly pay, or reimburse Employee for, any legal fees and expenses that he reasonably incurs in connection with entering into the arrangements set forth in this Agreement and in its Exhibit.

12. This Agreement sets forth the complete agreement between the Parties relating to the compensation, wages, bonuses, leaves, commissions, and/or benefits to which Employee is entitled under the Employment Agreement.

13. Any terms utilized in this Agreement and not defined herein have the meaning given to them by the Employment Agreement. Each Party acknowledges and agrees that, in signing this Agreement, such Party does not rely and has not relied upon any representations or statements by the other Party or its/his representative with regard to the subject matter, basis, or effect of this Agreement that are not specifically reflected in this Agreement.

14. This Agreement shall be interpreted, construed, governed, and enforced in accordance with 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. Notwithstanding anything elsewhere to the contrary, any dispute between the Employee and the Company (or any of its affiliates) that arises out of or relates to this Agreement, the Chairman Agreement, Employee's services for the Company or any of its affiliates (including without limitation as a director) or any termination of any such services shall be resolved exclusively in a state or federal court of competent jurisdiction in the State of Florida.

15. The Company and Employee have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Company and Employee and no presumption or burden of proof shall arise favoring or disfavoring either the Company or Employee by virtue of the authorship of any of the provisions of this Agreement.

16. If there is a conflict between this Agreement and any present or future law, the part that is affected shall be curtailed only to the extent necessary to bring it within the requirements of that law.

**17. EMPLOYEE IS ADVISED AND UNDERSTANDS THAT EMPLOYEE HAS UP TO TWENTY-ONE (21) CALENDAR DAYS TO CONSIDER THIS SEVERANCE AGREEMENT AND RELEASE. EMPLOYEE ALSO IS ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS SEVERANCE AGREEMENT AND RELEASE.**

**EMPLOYEE MAY REVOKE THIS SEVERANCE AGREEMENT AND RELEASE FOR A PERIOD OF SEVEN (7) CALENDAR DAYS FOLLOWING THE DAY EMPLOYEE SIGNS THIS AGREEMENT BY PROVIDING A WRITTEN REVOCATION TO:**

**Michael P. Oates**

**CEVP, Chief Administrative Officer**

**601 Riverside Avenue**

**Jacksonville, FL 32204**

**Michael.Oates@FISGlobal.com**

**WHICH STATES, "I HEREBY REVOKE MY ACCEPTANCE OF OUR SEVERANCE AGREEMENT AND RELEASE." THE REVOCATION MUST BE PERSONALLY DELIVERED, MAILED, SENT VIA OVERNIGHT COURIER OR EMAILED TO THE ABOVE INDIVIDUAL AT THE ABOVE ADDRESS OR EMAIL ADDRESS. IF MAILED, IT MUST BE POSTMARKED WITHIN SEVEN (7) CALENDAR DAYS AFTER EMPLOYEE SIGNED THIS SEVERANCE AGREEMENT AND RELEASE.**

**18.** Neither Party may assign any of its rights or obligations under this Agreement, unless the other Party expressly agrees in writing to such assignment. No provision in this Agreement may be amended unless such amendment is set forth in a writing that expressly refers to the provision of this Agreement that is being amended and that is signed by the Parties. No waiver by any individual or entity of any breach of any condition or provision contained in this Agreement shall be deemed a waiver of any similar or dissimilar breach at the same or any prior or subsequent time. To be effective, any waiver must be set forth in a writing signed by the waiving individual or entity and must specifically refer to the condition(s) or provision(s) of this Agreement being waived.

**19. Representations:**

**(a)** The Company represents and warrants that (i) it is fully authorized by action of its Board (and of any other person or body whose action is required) to enter into this Agreement on its own behalf and on behalf of its affiliates and to perform its obligations under it, (ii) the execution, delivery and performance of this Agreement by it does not, to the best of its knowledge and belief, violate any applicable law, regulation, order, judgment, decree or Company Arrangement to which it or any of its affiliates is a party or by which it or any of its affiliates is bound, and (iii) upon the execution and delivery of this Agreement by the parties, this Agreement shall be its valid and binding obligation, enforceable against the Company and its affiliates in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

**(b)** Employee represents and warrants that, to the best of his knowledge and belief, (i) delivery and performance of this Agreement by him does not violate any law or regulation applicable to him, (ii) delivery and performance of this Agreement by him does not violate any applicable order, judgment, decree or agreement to which he is a party or by which he is bound and (iii) upon the execution and delivery of this Agreement by the parties, this Agreement shall be a valid and binding obligation of

Employee, enforceable against him in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

**20.** All notices and other communications provided for hereunder will be in writing and sent by courier or email, if to the Company, at the address set forth above in Section 17 (attention: Chief Administration Officer) and, if to Employee, at the address of his principal residence as then reflected in the Company's records (with a copy, which shall not constitute notice, to Morrison Cohen LLP, 909 Third Avenue, 27<sup>th</sup> Floor, New York, NY 10022, attention Robert M. Sedgwick, Esq.), as to either Party, at such other address as is designated by such Party in a written notice to the other Party.

**21.** This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and either Party may enter into this Agreement by executing a counterpart. Signatures delivered by facsimile (including, without limitation, by "pdf") shall be effective for all purposes.

**22.** If any provision hereof is found by a court to be invalid or unenforceable, to the fullest extent permitted by applicable law, the Company and Employee agree that such invalidity or unenforceability will not impair the validity or enforceability of any other provision hereof.

**23.** Section 409A.

**(a)** The Parties intend that the provisions of this Agreement and of any other Company Arrangement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations thereunder as in effect from time to time (collectively, "Section 409A"). All provisions of this Agreement and of any other Company Arrangement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes and penalties under Section 409A. Notwithstanding anything in this Agreement, the Chairman Agreement, or elsewhere to the contrary, Employee shall have no duties after the Termination Date that are inconsistent with Employee having had a "separation from service" as of the Termination Date for purposes of Section 409A.

**(b)** If Employee is a "specified employee" within the meaning of Section 409A, any payment or benefit otherwise due to be paid or provided to Employee within six months following the Termination Date under any arrangement that (A) constitutes a "deferral of compensation" within the meaning of Section 409A of the Code and (B) does not otherwise qualify under the exemptions under Treasury Regulation Section 1.409A-1, shall be delayed and paid or provided on, and in any event within thirty (30) days following, the earlier of (x) the date which is six months after Employee's "separation from service" within the meaning of Section 409A for any reason other than death and (y) the date of Employee's death.

**(c)** Except as specifically permitted by Section 409A, the benefits and reimbursements provided to Employee under any Company Arrangement during any calendar year shall not affect the benefits and reimbursements to be provided to Employee under any Company Arrangement in any other calendar year, and the right to such benefits and reimbursements cannot be liquidated or exchanged for any other benefit, in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) or any successor thereto. Furthermore, reimbursement payments shall be made to Employee as soon as practicable following the date that the applicable expense is incurred, but in no event later than the last day of the calendar year following the calendar year in which the underlying expense is incurred, in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) or any successor thereto.

**(d)** For purposes of Section 409A, each installment payment (if any) payable to Employee provided for in the Agreement or any other Company Arrangement shall be deemed to be a "separate payment" within the meaning of Treas. Reg. Section 1.409A-2(b)(iii) or any successor thereto.

IN WITNESS WHEREOF, each Party has signed this Severance Agreement and Release on the date shown next to its signature below.

FIDELITY NATIONAL INFORMATION SERVICES, INC.

By: /s/ Michael P. Oates Date: October 28, 2016

Its: Chief Administrative Officer

FRANK R. MARTIRE

/s/ Frank R. Martire Date: October 28, 2016

**EXHIBIT A**

**AGREEMENT TO SERVE AS CHAIRMAN OF FIS' BOARD OF DIRECTORS**

In consideration for the mutual promises in this Agreement to Serve as Chairman of FIS' Board of Directors (this "Agreement"), **Fidelity National Information Services, Inc.** (together with its successors and assigns, "FIS" or "Company"), and **Frank R. Martire** (the "Chairman" and, together with FIS, the "Parties") agree as follows.

**24. Purpose.** The purpose of this Agreement is to recognize the Chairman's significant contributions to the overall performance and success of Company and to provide a single, integrated document which shall provide the basis for the Chairman's continued service. This Agreement is entered into in connection with the Severance Agreement and Release between the Parties dated October 28, 2016 (the "Severance Agreement"). Capitalized terms not defined in this Agreement shall have the meanings ascribed to them in the Severance Agreement. This Agreement shall become effective on the Effective Date (as defined in the Severance Agreement).

**25. Position and Effective Date.** The Chairman agrees to serve as the Chairman of FIS' Board of Directors (the "Board"), commencing January 1, 2017. The Chairman shall have all the duties, functions and responsibilities customary for the chairman of the board of directors of a public company of FIS' size and nature.

**26. Term.** The term of the Chairman's service under Section 2 above (the "Term") shall commence on January 1, 2017 (the "Commencement Date") and continue through the date that the Company's annual meeting of Shareholders ("Annual Meeting") is held in 2017. If, at that Annual Meeting, the Chairman is re-elected as a Director by a majority of the Company's shareholders, then the Term shall be extended automatically through the date the Annual Meeting is held in 2018. Further, and subject at all times to termination of the Chairman's service under this Agreement (and of the Term) pursuant to Section 4 below, upon the date of each subsequent Annual Meeting at which the Chairman is re-elected as a Director the Term shall be extended automatically until the

date that the next Annual Meeting is held. The Company agrees to nominate the Chairman for election, and to recommend his election, as a Director at each Annual Meeting that occurs during the Term.

27. Termination. The Chairman's service under this Agreement, and the Term, shall terminate without further action by the parties in any of the following circumstances:

(a) the election by the Board of Directors of a new Chairman of the Board;

(b) the failure of the Chairman to win re-election as a Director at any Annual Meeting of the Company at which the Company nominates him for re-election and recommends that he be elected; or

(c) the resignation of the Chairman from the Board.

28. Compensation. During the Term, Company shall pay the Chairman as follows:

(a) an annual cash retainer of no less than \$667,000, payable in accordance with the Company's standard practice for payment of Directors; and

(b) an annual equity grant valued at no less than \$333,000, made at the same time during the year that the Company makes annual equity grants to Directors, officers and key employees generally.

29. Other Benefits. In addition to the compensation described above, and to any benefits to which the Chairman may be entitled under the terms of the Severance Agreement, the Chairman shall be entitled to the following during the Term:

(a) Continued participation in the Company's SunGard Synergy Bonus program at the levels approved for the Chairman by the Compensation Committee of the Board while the Chairman served as Executive Chairman (provided, however, that his participation shall continue after the Term in the event that the Term ends under Section 4(a) above);

(b) Beginning as of January 1, 2017 and ending as of the later of December 31, 2019 and the expiration of the Term, quarterly payment of the excess of the gross quarterly cost to the Chairman of obtaining medical, dental and vision coverage for himself and his family that is comparable to that provided to him by the Company while he was Executive Chairman over the Chairman's quarterly contribution to his current Company coverage as of the date of this Agreement; and

(c) Continued provision of an appropriate office and executive assistant coverage, along with continued use of Company telephone and computer equipment;

(d) Continued reimbursement for appropriate expenses related to the performance of his duties as Chairman; and

(e) Continued customary usage of corporate aircraft and all other benefits and perquisites provided to the Chairman while he served as Executive Chairman.

30. Company Policies. The Chairman represents that he has read and understands the Company's policies applicable to Directors regarding insider trading and prohibiting the hedging and pledging of Company stock, which policies shall apply to him for so long as he remains a Director, notwithstanding anything in the Severance Agreement or elsewhere to the contrary. After the end of his service as a Director, the Chairman's only restrictions on trading in company securities will be those imposed by law or regulation.

31. Sections 11, 14, 15, 18, 19, 20 and 21 of the Severance Agreement (relating, respectively, to miscellaneous items, governing law and dispute resolution, construction, amendments and waivers, representations, notices, and counterparts and

signatures) shall be deemed incorporated into this Agreement as if set forth verbatim in it, provided however that references in those Sections to Employee shall be deemed to be references to the Chairman.

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the Effective Date.

FIDELITY NATIONAL INFORMATION SERVICES, INC.

By: /s/ Michael P. Oates Date: October 28, 2016

Its: Chief Administrative Officer

FRANK R. MARTIRE

/s/ Frank R. Martire Date: October 28, 2016

AGREEMENT TO SERVE AS CHAIRMAN OF FIS' BOARD OF DIRECTORS

In consideration for the mutual promises in this Agreement to Serve as Chairman of FIS' Board of Directors (this "Agreement"), **Fidelity National Information Services, Inc.** (together with its successors and assigns, "FIS" or "Company"), and **Frank R. Martire** (the "Chairman" and, together with FIS, the "Parties") agree as follows.

1. Purpose. The purpose of this Agreement is to recognize the Chairman's significant contributions to the overall performance and success of Company and to provide a single, integrated document which shall provide the basis for the Chairman's continued service. This Agreement is entered into in connection with the Severance Agreement and Release between the Parties dated October 28, 2016 (the "Severance Agreement"). Capitalized terms not defined in this Agreement shall have the meanings ascribed to them in the Severance Agreement. This Agreement shall become effective on the Effective Date (as defined in the Severance Agreement).

2. Position and Effective Date. The Chairman agrees to serve as the Chairman of FIS' Board of Directors (the "Board"), commencing January 1, 2017. The Chairman shall have all the duties, functions and responsibilities customary for the chairman of the board of directors of a public company of FIS' size and nature.

3. Term. The term of the Chairman's service under Section 2 above (the "Term") shall commence on January 1, 2017 (the "Commencement Date") and continue through the date that the Company's annual meeting of Shareholders ("Annual Meeting") is held in 2017. If, at that Annual Meeting, the Chairman is re-elected as a Director by a majority of the Company's shareholders, then the Term shall be extended automatically through the date the Annual Meeting is held in 2018. Further, and subject at all times to termination of the Chairman's service under this Agreement (and of the Term) pursuant to Section 4 below, upon the date of each subsequent Annual Meeting at which the Chairman is re-elected as a Director the Term shall be extended automatically until the date that the next Annual Meeting is held. The Company agrees to nominate the Chairman for election, and to recommend his election, as a Director at each Annual Meeting that occurs during the Term.

4. Termination. The Chairman's service under this Agreement, and the Term, shall terminate without further action by the parties in any of the following circumstances:

(a) the election by the Board of Directors of a new Chairman of the Board;

(b) the failure of the Chairman to win re-election as a Director at any Annual Meeting of the Company at which the Company nominates him for re-election and recommends that he be elected; or

(c) the resignation of the Chairman from the Board.

5. Compensation. During the Term, Company shall pay the Chairman as follows:

(a) an annual cash retainer of no less than \$667,000, payable in accordance with the Company's standard practice for payment of Directors; and

(b) an annual equity grant valued at no less than \$333,000, made at the same time during the year that the Company makes annual equity grants to Directors, officers and key employees generally.

6. Other Benefits. In addition to the compensation described above, and to any benefits to which the Chairman may be entitled under the terms of the Severance Agreement, the Chairman shall be entitled to the following during the Term:

(a) Continued participation in the Company's SunGard Synergy Bonus program at the levels approved for the Chairman by the Compensation Committee of the Board while the Chairman served as Executive Chairman (provided, however, that his participation shall continue after the Term in the event that the Term ends under Section 4(a) above);

(b) Beginning as of January 1, 2017 and ending as of the later of December 31, 2019 and the expiration of the Term, quarterly payment of the excess of the gross quarterly cost to the Chairman of obtaining medical, dental and vision coverage for himself and his family that is comparable to that provided to him by the Company while he was Executive Chairman over the Chairman's quarterly contribution to his current Company coverage as of the date of this Agreement; and

(c) Continued provision of an appropriate office and executive assistant coverage, along with continued use of Company telephone and computer equipment;

(d) Continued reimbursement for appropriate expenses related to the performance of his duties as Chairman; and

(e) Continued customary usage of corporate aircraft and all other benefits and perquisites provided to the Chairman while he served as Executive Chairman.

7. Company Policies. The Chairman represents that he has read and understands the Company's policies applicable to Directors regarding insider trading and prohibiting the hedging and pledging of Company stock, which policies shall apply to him for so long as he remains a Director, notwithstanding anything in the Severance Agreement or elsewhere to the contrary. After the end of his service as a Director, the Chairman's only restrictions on trading in company securities will be those imposed by law or regulation.

8. Sections 11, 14, 15, 18, 19, 20 and 21 of the Severance Agreement (relating, respectively, to miscellaneous items, governing law and dispute resolution, construction, amendments and waivers, representations, notices, and counterparts and signatures) shall be deemed incorporated into this Agreement as if set forth verbatim in it, provided however that references in those Sections to Employee shall be deemed to be references to the Chairman.

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the Effective Date.

FIDELITY NATIONAL INFORMATION SERVICES, INC.

By: /s/ Michael P. Oates Date: October 28, 2016

Its: Chief Administrative Officer

FRANK R. MARTIRE

/s/ Frank R. Martire Date: October 28, 2016

## 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: November 2, 2016

By: /s/ GARY A. NORCROSS

Gary A. Norcross

President and Chief Executive Officer

## 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: November 2, 2016

By: /s/ JAMES W. WOODALL

James W. Woodall

Corporate Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

**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: November 2, 2016

By: /s/ GARY A. NORCROSS

\_\_\_\_\_  
Gary A. Norcross

President and Chief Executive Officer

**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: November 2, 2016

By: /s/ JAMES W. WOODALL

James W. Woodall

Corporate Executive Vice President and Chief Financial Officer

(Principal Financial Officer)