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

Form 10-Q

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

For the quarterly period ended September 30, 2021

Or

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

For the transition period from ____________ to ____________

Commission File No. 001-16427

Fidelity National Information Services, Inc.

(Exact name of registrant as specified in its charter)

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	FIS	New York Stock Exchange
1.700% Senior Notes due 2022	FIS22B	New York Stock Exchange
0.125% Senior Notes due 2022	FIS22C	New York Stock Exchange
0.750% Senior Notes due 2023	FIS23A	New York Stock Exchange
1.100% Senior Notes due 2024	FIS24A	New York Stock Exchange
0.625% Senior Notes due 2025	FIS25B	New York Stock Exchange
1.500% Senior Notes due 2027	FIS27	New York Stock Exchange
1.000% Senior Notes due 2028	FIS28	New York Stock Exchange
2.250% Senior Notes due 2029	FIS29	New York Stock Exchange
2.000% Senior Notes due 2030	FIS30	New York Stock Exchange
3.360% Senior Notes due 2031	FIS31	New York Stock Exchange
2.950% Senior Notes due 2039	FIS39	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No o

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

As of November 3, 2021, 608,937,161 shares of the Registrant’s Common Stock were outstanding.

FORM 10-Q
QUARTERLY REPORT
Quarter Ended September 30, 2021

INDEX

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

	September 30, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,390	$ 1,959
Settlement deposits and merchant float	3,572	3,252
Trade receivables, net of allowance for credit losses of $80 and $82, respectively	3,468	3,314
Settlement receivables	761	662
Other receivables	331	317
Prepaid expenses and other current assets	489	394
Total current assets	10,011	9,898
Property and equipment, net	846	887
Goodwill	52,796	53,268
Intangible assets, net	12,040	13,928
Software, net	3,141	3,370
Other noncurrent assets	1,921	1,574
Deferred contract costs, net	935	917
Total assets	$ 81,690	$ 83,842
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY		
Current liabilities:		
Accounts payable, accrued and other liabilities	$ 2,470	$ 2,482
Settlement payables	5,342	4,934
Deferred revenue	868	881
Short-term borrowings	3,484	2,750
Current portion of long-term debt	463	1,314
Total current liabilities	12,627	12,361
Long-term debt, excluding current portion	15,833	15,951
Deferred income taxes	4,118	4,017
Other noncurrent liabilities	1,767	1,967
Deferred revenue	52	59
Total liabilities	34,397	34,355
Redeemable noncontrolling interest	176	174
Equity:		
FIS stockholders' equity:		
Preferred stock $0.01 par value; 200 shares authorized, none issued and outstanding at September 30, 2021 and December 31, 2020	—	—
Common stock $0.01 par value, 750 shares authorized, 625 and 621 shares issued as of September 30, 2021 and December 31, 2020, respectively	6	6
Additional paid in capital	46,366	45,947
Retained earnings	2,840	3,440
Accumulated other comprehensive earnings (loss)	156	57
Treasury stock, $0.01 par value, 16 and 1 common shares as of September 30, 2021 and December 31, 2020, respectively, at cost	(2,263)	(150)
Total FIS stockholders' equity	47,105	49,300
Noncontrolling interest	12	13
Total equity	47,117	49,313
Total liabilities, redeemable noncontrolling interest and equity	$ 81,690	$ 83,842

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three months ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	$ 3,507	$ 3,197	$ 10,205	$ 9,236
Cost of revenue	2,178	2,104	6,431	6,238
Gross profit	1,329	1,093	3,774	2,998
Selling, general, and administrative expenses	989	862	2,972	2,613
Asset impairments	202	—	202	—
Operating income	138	231	600	385
Other income (expense):				
Interest expense, net	(46)	(84)	(169)	(252)
Other income (expense), net	110	(4)	(58)	31
Total other income (expense), net	64	(88)	(227)	(221)
Earnings before income taxes and equity method investment earnings (loss)	202	143	373	164
Provision (benefit) for income taxes	41	121	246	94
Equity method investment earnings (loss)	—	—	6	(9)
Net earnings	161	22	133	61
Net (earnings) loss attributable to noncontrolling interest	(3)	(2)	(7)	(7)
Net earnings attributable to FIS common stockholders	$ 158	$ 20	$ 126	$ 54
Net earnings per share-basic attributable to FIS common stockholders	$ 0.26	$ 0.03	$ 0.20	$ 0.09
Weighted average shares outstanding-basic	613	620	618	618
Net earnings per share-diluted attributable to FIS common stockholders	$ 0.26	$ 0.03	$ 0.20	$ 0.09
Weighted average shares outstanding-diluted	619	627	623	626

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three months ended September 30,				Nine months ended September 30,			
	2021		2020		2021		2020	
Net earnings		$ 161		$ 22		$ 133		$ 61
Other comprehensive earnings (loss), before tax:								
Unrealized gain (loss) on derivatives	$ —		$ —		$ 9		$ —	
Foreign currency translation adjustments	(59)		78		256		(306)	
Other adjustments	1		1		2		2	
Other comprehensive earnings (loss), before tax	(58)		79		267		(304)	
Provision for income tax (expense) benefit related to items of other comprehensive earnings	(35)		67		(168)		125	
Other comprehensive earnings (loss), net of tax	$ (93)	(93)	$ 146	146	$ 99	99	$ (179)	(179)
Comprehensive earnings (loss)		68		168		232		(118)
Net (earnings) loss attributable to noncontrolling interest		(3)		(2)		(7)		(7)
Comprehensive earnings (loss) attributable to FIS common stockholders		$ 65		$ 166		$ 225		$ (125)

See accompanying notes to unaudited condensed consolidated financial statements.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
AND SUBSIDIARIES
Condensed Consolidated Statements of Equity
Three and nine months ended September 30, 2021
(In millions, except per share amounts)
(Unaudited)

	Number of shares		Amount						
			FIS Stockholders						
	Common shares	Treasury shares	Common stock	Additional paid in capital	Retained earnings	Accumulated other comprehensive earnings (loss)	Treasury stock	Noncontrolling interest (1)	Total equity
Balances, June 30, 2021	625	(7)	$ 6	$ 46,274	$ 2,921	$ 249	$ (1,058)	$ 12	$ 48,404
Exercise of stock options	—	—	—	12	—	—	—	—	12
Purchases of treasury stock	—	(9)	—	—	—	—	(1,196)	—	(1,196)
Treasury shares held for taxes due upon exercise of stock awards	—	—	—	—	—	—	(9)	—	(9)
Stock-based compensation	—	—	—	80	—	—	—	—	80
Cash dividends declared ($0.39 per share per quarter) and other distributions	—	—	—	—	(239)	—	—	(3)	(242)
Net earnings (loss)	—	—	—	—	158	—	—	3	161
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	(93)	—	—	(93)
Balances, September 30, 2021	625	(16)	$ 6	$ 46,366	$ 2,840	$ 156	$ (2,263)	$ 12	$ 47,117

	Number of shares		Amount						
			FIS Stockholders						
	Common shares	Treasury shares	Common stock	Additional paid in capital	Retained earnings	Accumulated other comprehensive earnings (loss)	Treasury stock	Noncontrolling interest (1)	Total equity
Balances, December 31, 2020	621	(1)	$ 6	$ 45,947	$ 3,440	$ 57	$ (150)	$ 13	$ 49,313
Issuance of restricted stock	4	—	—	1	—	—	—	—	1
Exercise of stock options	—	—	—	98	—	—	—	—	98
Purchases of treasury stock	—	(15)	—	—	—	—	(1,996)	—	(1,996)
Treasury shares held for taxes due upon exercise of stock awards	—	—	—	—	—	—	(117)	—	(117)
Stock-based compensation	—	—	—	320	—	—	—	—	320
Cash dividends declared ($0.39 per share per quarter) and other distributions	—	—	—	—	(726)	—	—	(7)	(733)
Net earnings (loss)	—	—	—	—	126	—	—	6	132
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	99	—	—	99
Balances, September 30, 2021	625	(16)	$ 6	$ 46,366	$ 2,840	$ 156	$ (2,263)	$ 12	$ 47,117

(1) Excludes redeemable noncontrolling interest that is not considered equity.

See accompanying notes to unaudited condensed consolidated financial statements.

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

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

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

(1) Excludes redeemable noncontrolling interest that is not considered equity.

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Cash flows from operating activities:		
Net earnings	$ 133	$ 61
Adjustment to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,981	2,760
Amortization of debt issue costs	22	24
Asset impairments	202	—
Loss (gain) on sale of businesses, investments and other	(233)	3
Loss on extinguishment of debt	528	—
Stock-based compensation	320	182
Deferred income taxes	(35)	(24)
Net changes in assets and liabilities, net of effects from acquisitions and foreign currency:		
Trade and other receivables	(229)	78
Settlement activity	575	594
Prepaid expenses and other assets	(350)	(169)
Deferred contract costs	(323)	(354)
Deferred revenue	(12)	(50)
Accounts payable, accrued liabilities and other liabilities	118	(81)
Net cash provided by operating activities	3,697	3,024
Cash flows from investing activities:		
Additions to property and equipment	(193)	(186)
Additions to software	(684)	(652)
Acquisitions, net of cash acquired	—	(469)
Net proceeds from sale of businesses and investments	370	—
Other investing activities, net	(90)	92
Net cash provided by (used in) investing activities	(597)	(1,215)
Cash flows from financing activities:		
Borrowings	40,569	37,125
Repayment of borrowings and other financing obligations	(40,644)	(37,646)
Debt issuance costs	(74)	—
Net proceeds from stock issued under stock-based compensation plans	87	302
Treasury stock activity	(2,113)	(102)
Dividends paid	(724)	(650)
Other financing activities, net	(138)	(222)
Net cash provided by (used in) financing activities	(3,037)	(1,193)
Effect of foreign currency exchange rate changes on cash	(57)	8
Net increase (decrease) in cash and cash equivalents	6	624
Cash and cash equivalents, beginning of period	4,030	3,211
Cash and cash equivalents, end of period	$ 4,036	$ 3,835
Supplemental cash flow information:		
Cash paid for interest	$ 370	$ 305
Cash paid for income taxes	$ 272	$ 163

See accompanying notes to unaudited condensed consolidated financial statements.

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, 2020.

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

Certain reclassifications have been made in the 2020 consolidated financial statements to conform to the classifications used in 2021. Amounts in tables in the financial statements and accompanying footnotes may not sum or calculate due to rounding.

FIS reports its financial performance based on the following segments: Merchant Solutions, Banking Solutions, Capital Market Solutions, and Corporate and Other. The Company regularly assesses its portfolio of assets and reclassified certain non-strategic businesses from the Merchant Solutions, Banking Solutions, and Capital Market Solutions segments into the Corporate and Other segment during the year ended December 31, 2020, and recast all prior-period segment information presented.

(2) Revenue

Disaggregation of Revenue

In the following tables, revenue is disaggregated by primary geographical market and type of revenue. The tables also include a reconciliation of the disaggregated revenue with the Company's reportable segments. Prior-period amounts have been recast to conform to the new reportable segment presentation as discussed in Note 11.

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

For the three months ended September 30, 2021 (in millions):

	Reportable Segments				
	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Primary Geographical Markets:					
North America	$ 803	$ 1,369	$ 398	$ 50	$ 2,620
All others	358	241	256	32	887
Total	$ 1,161	$ 1,610	$ 654	$ 82	$ 3,507
Type of Revenue:					
Recurring revenue:					
Transaction processing and services	$ 1,121	$ 1,200	$ 297	$ 77	$ 2,695
Software maintenance	1	90	128	—	219
Other recurring	22	47	23	3	95
Total recurring	1,144	1,337	448	80	3,009
Software license	5	28	91	—	124
Professional services	—	151	115	1	267
Other non-recurring fees	12	94	—	1	107
Total	$ 1,161	$ 1,610	$ 654	$ 82	$ 3,507

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

	Reportable Segments				
	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Primary Geographical Markets:					
North America	$ 747	$ 1,281	$ 347	$ 70	$ 2,445
All others	270	207	240	35	752
Total	$ 1,017	$ 1,488	$ 587	$ 105	$ 3,197
Type of Revenue:					
Recurring revenue:					
Transaction processing and services	$ 996	$ 1,128	$ 272	$ 92	$ 2,488
Software maintenance	1	88	124	—	213
Other recurring	19	45	25	—	89
Total recurring	1,016	1,261	421	92	2,790
Software license	—	15	58	6	79
Professional services	—	152	108	2	262
Other non-recurring fees	1	60	—	5	66
Total	$ 1,017	$ 1,488	$ 587	$ 105	$ 3,197

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

For the nine months ended September 30, 2021 (in millions):

	Reportable Segments				
	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Primary Geographical Markets:					
North America	$ 2,323	$ 4,028	$ 1,137	$ 165	$ 7,653
All others	980	701	771	100	2,552
Total	$ 3,303	$ 4,729	$ 1,908	$ 265	$ 10,205
Type of Revenue:					
Recurring revenue:					
Transaction processing and services	$ 3,217	$ 3,533	$ 877	$ 240	$ 7,867
Software maintenance	2	267	382	1	652
Other recurring	63	125	72	9	269
Total recurring	3,282	3,925	1,331	250	8,788
Software license	7	74	232	—	313
Professional services	—	444	335	3	782
Other non-recurring fees	14	286	10	12	322
Total	$ 3,303	$ 4,729	$ 1,908	$ 265	$ 10,205

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

	Reportable Segments				
	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Primary Geographical Markets:					
North America	$ 2,011	$ 3,790	$ 1,075	$ 210	$ 7,086
All others	753	604	702	91	2,150
Total	$ 2,764	$ 4,394	$ 1,777	$ 301	$ 9,236
Type of Revenue:					
Recurring revenue:					
Transaction processing and services	$ 2,697	$ 3,280	$ 821	$ 280	$ 7,078
Software maintenance	2	264	367	1	634
Other recurring	58	131	75	—	264
Total recurring	2,757	3,675	1,263	281	7,976
Software license	2	48	200	6	256
Professional services	1	441	313	4	759
Other non-recurring fees	4	230	1	10	245
Total	$ 2,764	$ 4,394	$ 1,777	$ 301	$ 9,236

Contract Balances

The Company recognized revenue of $106 million and $216 million during the three months and $614 million and $660 million during the nine months ended September 30, 2021 and 2020, respectively, that was included in the corresponding deferred revenue balance at the beginning of the periods.

Transaction Price Allocated to the Remaining Performance Obligations

As of September 30, 2021, approximately $22.0 billion of revenue is estimated to be recognized in the future primarily from the Banking Solutions and Capital Market Solutions segments' remaining unfulfilled performance obligations, which are primarily comprised of recurring account- and volume-based processing services. This excludes the amount of anticipated recurring renewals not yet contractually obligated. The Company expects to recognize approximately 30% of the Banking Solutions and Capital Market Solutions segments' remaining performance obligations over the next 12 months, approximately another 22% over the next 13 to 24 months, and the balance thereafter.

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

(3) Condensed Consolidated Financial Statement Details

Cash and Cash Equivalents

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

	September 30, 2021	December 31, 2020
Cash and cash equivalents on the consolidated balance sheets	$ 1,390	$ 1,959
Merchant float restricted cash (in Settlement deposits and merchant float)	2,646	2,071
Total Cash and cash equivalents per the consolidated statement of cash flows	$ 4,036	$ 4,030

Allowance for Credit Losses

The Company monitors trade receivables and contract assets as well as other receivable balances and estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including those related to current market conditions and events. The allowance for credit losses is separate from the chargeback liability described in Note 7.

While the COVID-19 pandemic did not result in a significant increase in the Company's expected credit loss allowance recorded as of September 30, 2021, it is reasonably possible that future developments related to the economic impact of the COVID-19 pandemic could have a material impact on management's estimates.

Property and Equipment, Intangible Assets and Computer Software

The following table shows the Company's consolidated financial statement details as of September 30, 2021, and December 31, 2020 (in millions):

	September 30, 2021			December 31, 2020		
	Cost	Accumulated depreciation and amortization	Net	Cost	Accumulated depreciation and amortization	Net
Property and equipment	$ 2,417	$ 1,571	$ 846	$ 2,292	$ 1,405	$ 887
Intangible assets	$ 18,939	$ 6,899	$ 12,040	$ 19,141	$ 5,213	$ 13,928
Software	$ 5,862	$ 2,721	$ 3,141	$ 5,535	$ 2,165	$ 3,370

As of September 30, 2021, intangible assets, net of amortization, includes $11,717 million of customer relationships and $323 million of trademarks and other intangible assets. Amortization expense with respect to these intangible assets was $595 million and $602 million for the three months and $1,789 million and $1,794 million for the nine months ended September 30, 2021 and 2020, respectively.

During the three months ended September 30, 2021, the Company recorded $144 million of software asset impairments and $83 million of incremental software amortization expense driven by the Company's Platform initiatives. The Platform initiatives include sunsetting certain technology platforms, which results in shortened estimated useful lives and accelerated amortization methods primarily impacting the associated assets over approximately the next three years, beginning in the third quarter of 2021. See Business Trends and Conditions within Item 2 of this Quarterly Report for additional information on the Company's Platform initiatives.

Goodwill

Changes in goodwill during the nine months ended September 30, 2021, are summarized below (in millions).

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate And Other	Total
Balance, December 31, 2020	$ 36,267	$ 12,279	$ 4,702	$ 20	$ 53,268
Foreign currency adjustments	(413)	(26)	(33)	—	(472)
Balance, September 30, 2021	$ 35,854	$ 12,253	$ 4,669	$ 20	$ 52,796

We assess goodwill for impairment on an annual basis during the fourth quarter or more frequently if circumstances indicate potential impairment. For 2020, we completed our annual assessment for the Banking Solutions and Capital Market Solutions reporting units with qualitative assessments and concluded that it remained more likely than not that the fair value of each reporting unit continued to exceed its carrying value. For Merchant Solutions, we completed our 2020 annual assessment with a quantitative assessment due to the economic impact of the COVID-19 pandemic on our Merchant Solutions business and its primary operations having been recently acquired as part of the Worldpay acquisition completed on July 31, 2019. As a result of the annual assessment, the fair value of the reporting unit was estimated to be in excess of carrying amount by approximately 4%.

Due to the continued economic impact of the COVID-19 pandemic, we evaluated if events and circumstances as of September 30, 2021, indicated potential impairment of our reporting units. We performed a qualitative assessment by examining factors most likely to affect our reporting units' fair values and considered the impact to our business from the COVID-19 pandemic. The factors examined involve significant use of management judgment and included, among others, (1) forecast revenue, growth rates, operating margins, and capital expenditures used to calculate estimated future cash flows, (2) future economic and market conditions and (3) FIS' market capitalization. Based on our interim impairment assessment as of September 30, 2021, we concluded that it remained more likely than not that the fair value continues to exceed the carrying amount for each of our reporting units; therefore, goodwill was not impaired.

However, it is reasonably possible that future developments related to the economic impact of the COVID-19 pandemic on our Merchant Solutions business, such as an extended duration of the pandemic and/or government-imposed shutdowns, prolonged economic downturn or recession, or lack of governmental support for recovery, could have a material impact on one or more of the estimates and assumptions used to evaluate goodwill impairment and could result in future goodwill impairment.

Visa Europe and Contingent Value Rights

As part of the Worldpay acquisition, the Company acquired certain assets and liabilities related to the June 2016 Worldpay Group plc (Legacy Worldpay) disposal of its ownership interest in Visa Europe to Visa Inc. As part of the disposal, Legacy Worldpay received proceeds from Visa Inc. in the form of cash and convertible preferred stock ("preferred stock"), the value of which may be reduced by losses incurred relating to ongoing interchange-related litigation involving Visa Europe. Also in connection with the disposal, and pursuant to the terms of an amendment executed on September 17, 2020, the Company will pay the former Legacy Worldpay owners 90% of the net-of-tax proceeds from the disposal, known as contingent value rights, which is recorded as a liability ("CVR liability") on the consolidated balance sheets.

The Company has elected the fair value option under ASC 825, *Financial Instruments*, for measuring its preferred stock asset and CVR liability. The fair value of the preferred stock was $90 million and $70 million at September 30, 2021, and December 31, 2020, respectively, recorded in Other noncurrent assets on the consolidated balance sheets. The fair value of the CVR liability was $411 million and $401 million at September 30, 2021, and December 31, 2020, respectively, recorded in Other noncurrent liabilities on the consolidated balance sheets. The net change in fair value was $(3) million and $48 million for the three months and $12 million and $74 million for the nine months ended September 30, 2021 and 2020, respectively, recorded in Other income (expense), net on the consolidated statements of earnings (loss).

Equity Security Investments

The Company holds various equity securities without readily determinable fair values that primarily represent strategic investments made through our FIS Impact Ventures program as well as investments obtained through acquisitions. Such investments totaled $354 million and $81 million at September 30, 2021, and December 31, 2020, respectively, and are included within Other noncurrent assets on the consolidated balance sheets. The Company accounts for these investments at cost, less impairment, and adjusts the carrying values for observable price changes from orderly transactions for identical or similar investments of the same issuer. The Company records gains and losses on these investments, realized and unrealized, as Other income (expense), net on the consolidated statements of earnings (loss) and recorded net gains of $126 million and $214 million for the three and nine months ended September 30, 2021, respectively, related to these investments.

(4) Deferred Contract Costs

Origination and fulfillment costs from contracts with customers capitalized as of September 30, 2021, and December 31, 2020, consist of the following (in millions):

	September 30, 2021	December 31, 2020
Contract costs on implementations in progress	$ 205	$ 245
Contract origination costs on completed implementations, net	534	470
Contract fulfillment costs on completed implementations, net	196	202
Total Deferred contract costs, net	$ 935	$ 917

Amortization of deferred contract costs on completed implementations was $97 million and $56 million during the three months and $240 million and $162 million during the nine months ended September 30, 2021 and 2020, respectively.

During the three months ended September 30, 2021, the Company recorded $58 million of deferred contract cost asset impairments and $19 million of incremental amortization expense driven by the Company's Platform initiatives, also discussed in Note (3).

(5) Debt

Long-term debt as of September 30, 2021, and December 31, 2020, consists of the following (in millions):

	September 30, 2021				
	Interest Rates	Weighted Average Interest Rate (1)	Maturities	September 30, 2021	December 31, 2020
Fixed Rate Notes					
Senior USD Notes	0.4% - 4.8%	1.8%	2023 - 2048	$ 6,909	$ 4,938
Senior Euro Notes	0.1% - 3.0%	1.3%	2022 - 2039	7,822	8,891
Senior GBP Notes	1.7% - 3.4%	1.5%	2022 - 2031	1,649	2,526
Senior Euro Floating Rate Notes		N/A	2021	—	613
Revolving Credit Facility (2)		1.3%	2026	41	251
Other (3)				(125)	46
Total long-term debt, including current portion				16,296	17,265
Current portion of long-term debt				(463)	(1,314)
Long-term debt, excluding current portion				$ 15,833	$ 15,951

(1) The weighted average interest rate includes the impact of interest rate swaps (see Note 6).
(2) Interest on the Revolving Credit Facility is generally payable at LIBOR plus an applicable margin of up to 1.625% plus an unused commitment fee of up to 0.225%, each based upon the Company's corporate credit ratings. The weighted average interest rate on the Revolving Credit Facility excludes fees.
(3) Other includes financing obligations for certain hardware and software, the fair value of interest rate swaps (see Note 6), unamortized non-cash bond discounts and unamortized debt issuance costs.

Short-term borrowings as of September 30, 2021, and December 31, 2020, consist of the following (in millions):

	September 30, 2021			
	Weighted Average Interest Rate	Maturities	September 30, 2021	December 31, 2020
Euro-commercial paper notes ("ECP Notes")	(0.5) %	Up to 183 days	$ 428	$ 861
U.S. commercial paper notes ("USCP Notes")	0.3 %	Up to 397 days	3,040	1,745
Other			16	144
Total Short-term borrowings			$ 3,484	$ 2,750

As of September 30, 2021, the weighted average interest rate of the Company's outstanding debt was 0.9%, including the impact of interest rate swaps (see Note 6).

The following summarizes the aggregate maturities of our long-term debt, including other financing obligations for certain hardware and software, based on stated contractual maturities, excluding the fair value of the interest rate swaps (see Note 6) and net unamortized non-cash bond discounts of $(120) million as of September 30, 2021 (in millions):

	Total
2021 remaining period	$ 16
2022	1,613
2023	2,218
2024	1,335
2025	730
Thereafter	10,612
Total principal payments	16,524
Debt issuance costs, net of accumulated amortization	(108)
Total long-term debt	$ 16,416

There are no mandatory principal payments on the Revolving Credit Facility, and any balance outstanding on the Revolving Credit Facility will be due and payable at its scheduled maturity date, which occurs on March 2, 2026.

Senior Notes

On May 21, 2021, FIS redeemed an aggregate principal amount of €446 million in Senior Euro Floating Rate Notes on their due date, pursuant to the related indenture.

In March 2021, pursuant to cash tender offers and make-whole redemptions, FIS purchased and redeemed an aggregate principal amount of $5.1 billion in Senior Notes, comprised of $3,529 million in Senior USD Notes, $600 million in Senior Euro Notes, $871 million in Senior GBP Notes, and $66 million in Senior Euro Floating Rate Notes, with interest rates ranging from 0.0% to 5.0% and maturities ranging from 2021 to 2029, resulting in a loss on extinguishment of debt of approximately $528 million, recorded in Other income (expense), net on the consolidated statement of earnings (loss), relating to tender premiums, make-whole amounts, and fees; the write-off of unamortized bond discounts and debt issuance costs; and losses on related derivative instruments. The Company funded the purchase and redemption of the Senior Notes with proceeds on borrowings from the issuance and sale of Senior USD Notes on March 2, 2021.

On March 2, 2021, FIS completed the issuance and sale of Senior USD Notes with an aggregate principal amount of $5.5 billion with interest rates ranging from 0.4% to 3.1% and maturities ranging from 2023 to 2041 ("new Senior USD Notes"). The proceeds from the debt issuance were subsequently used to purchase and redeem the Senior Notes discussed above with the remainder used to repay a portion of our commercial paper notes. The new Senior USD Notes are subject to customary covenants, including, among others, customary events of default. The new Senior USD Notes also include redemption provisions at the option of FIS, similar to the other Senior Notes.

Revolving Credit Facility

On March 2, 2021, FIS entered into an amendment to the Restated Credit Agreement to amend certain covenant provisions, revise lender commitments for certain counterparties, and extend the scheduled maturity date to March 2, 2026. As of September 30, 2021, the borrowing capacity under the Revolving Credit Facility was $1,991 million (net of $3,468 million of capacity backstopping our commercial paper notes).

Fair Value of Debt

The fair value of the Company's long-term debt is estimated to be approximately $809 million and $1,640 million higher than the carrying value, excluding the fair value of the interest rate swaps and unamortized discounts, as of September 30, 2021, and December 31, 2020, respectively.

(6) Financial Instruments

Fair Value Hedges

The Company holds interest rate swaps with aggregate notional amounts of $1,854 million, £925 million and €500 million at September 30, 2021, and $1,000 million and €500 million at December 31, 2020, converting the interest rate exposure on certain of the Company's Senior USD Notes, Senior GBP Notes and Senior Euro Notes, as applicable, from fixed to variable. These swaps are designated as fair value hedges for accounting purposes with a net liability fair value of $77 million reflected as a decrease in the long-term debt balance at September 30, 2021, and a net asset fair value of $10 million reflected as an increase in the long-term debt balance at December 31, 2020 (see Note 5).

Net Investment Hedges

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

The Company recorded net investment hedge aggregate gain (loss) for the change in fair value as Foreign currency translation adjustments and related income tax (expense) benefit within Other comprehensive earnings (loss), net of tax, on the consolidated statements of comprehensive earnings (loss) of $386 million and $(597) million during the three months and $678 million and $(263) million during the nine months ended September 30, 2021 and 2020, respectively. No ineffectiveness has been recorded on the net investment hedges.

Foreign Currency-Denominated Debt Designations

The Company designates certain foreign currency-denominated debt as net investment hedges of its investment in Euro- and Pound Sterling-denominated operations. As of September 30, 2021, and December 31, 2020, an aggregate €7,127 million and €7,466 million, respectively, was designated as a net investment hedge of the Company's investment in Euro-denominated operations related to Senior Euro Notes with maturities ranging from 2022 to 2039 and ECP Notes. As of December 31, 2020, an additional €1,000 million was designated as a net investment hedge of the Company's investment in Euro-denominated operations related to the Senior Euro Floating Rate Notes and Senior Euro Notes with a 2021 maturity. As of September 30, 2021, and December 31, 2020, an aggregate £1,193 million and £1,850 million, respectively, was designated as a net investment hedge of the Company's Pound Sterling-denominated operations related to the Senior GBP Notes with maturities ranging from 2022 to 2031.

Cross-Currency Interest Rate Swap Designations

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

As of September 30, 2021, and December 31, 2020, aggregate notional amounts of €5,906 million and €4,508 million, respectively, were designated as net investment hedges of the Company's investment in Euro-denominated operations, and aggregate notional amounts of £2,345 million and £565 million, respectively, were designated as net investment hedges of the Company's Pound Sterling-denominated operations. The cross-currency interest rate swap fair values were net assets of $120 million and net liabilities of $306 million at September 30, 2021, and December 31, 2020, respectively.

(7) Commitments and Contingencies

Reliance Trust Claims

Reliance Trust Company ("Reliance"), the Company's subsidiary, is a defendant in a class action arising out of its provision of services as the discretionary trustee for a 401(k) Plan (the "Plan") for one of its customers. On behalf of the Plan participants, plaintiffs in the action, which was filed in December 2015, sought damages and attorneys' fees, as well as equitable relief, against Reliance and the Plan's sponsor and record-keeper for alleged breaches of fiduciary duty under the Employee Retirement Income Security Act of 1974 ("ERISA"). At a non-jury trial conducted in March 2020, Reliance vigorously defended the action and contended that no breaches of fiduciary duty or prohibited transactions occurred and that Plan participants suffered no damages. At trial, Plaintiffs claimed damages of approximately $127 million against all defendants. On

October 12, 2020, Reliance and plaintiffs entered into a settlement agreement, which was subject to final court approval, to settle all allegations and claims asserted in the action for $39.8 million without equitable relief. On October 14, 2020, the Court preliminarily approved the settlement agreement. In the settlement agreement, Reliance admitted no wrongdoing or liability with respect to any of the allegations or claims and maintains that the Plan was managed, operated, and administered during its tenure as the Plan's discretionary trustee in full compliance with ERISA and applicable regulations. The Company recorded a liability for the agreed settlement amount of $39.8 million and a corresponding loss in Other income (expense), net on the consolidated statement of earnings (loss) during the quarter ended September 30, 2020. On March 8, 2021, the Court entered an order approving the settlement and entered a final judgment dismissing the action with prejudice. Reliance paid the full settlement amount in April 2021 and has met its monetary obligations under the settlement agreement.

Brazilian Tax Authorities Claims

In 2004, Proservvi Empreendimentos e Servicos, Ltda., the predecessor to Fidelity National Servicos de Tratamento de Documentos e Informatica Ltda. ("Servicos"), a subsidiary of Fidelity National Participacoes Ltda., our former item processing and remittance services operation in Brazil, acquired certain assets and employees and leased certain facilities from the Transpev Group ("Transpev") in Brazil. Transpev's remaining assets were later acquired by Prosegur, an unrelated third party. When Transpev discontinued its operations after the asset sale to Prosegur, it had unpaid federal taxes and social contributions owing to the Brazilian tax authorities. The Brazilian tax authorities brought a claim against Transpev and, beginning in 2012, brought claims against Prosegur and Servicos on the grounds that Prosegur and Servicos were successors in interest to Transpev. To date, the Brazilian tax authorities filed 14 claims against Servicos asserting potential tax liabilities of approximately $11 million. There are potentially 24 additional claims against Transpev/Prosegur for which Servicos is named as a co-defendant or may be named but for which Servicos has not yet been served. These additional claims amount to approximately $31 million, making the total potential exposure for all 38 claims approximately $42 million. We do not believe a liability for these 38 total claims is probable and, therefore, have not recorded a liability for any of these claims.

Tax Receivable Agreement

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

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

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

The consolidated balance sheets as of September 30, 2021, and December 31, 2020, include a total liability of $448 million and $532 million, respectively, relating to the TRA.

Chargeback Liability

Through services offered in our Merchant Solutions segment, the Company is exposed to potential losses from merchant-related chargebacks. A chargeback occurs when a dispute between a cardholder and a merchant, including a claim for non-delivery of the product or service by the merchant, is not resolved in favor of the merchant and the transaction is charged back to the merchant resulting in a refund of the purchase price to the cardholder. If the Company is unable to collect this chargeback amount from the merchant due to closure, bankruptcy or other reasons, the Company bears the loss for the refund paid to the cardholder. The risk of chargebacks is typically greater for those merchants that promise future delivery of goods and services rather than delivering goods or rendering services at the time of payment. The economic impact of the COVID-19 pandemic has not resulted in material chargeback losses as of September 30, 2021; however, it is reasonably possible that the Company has incurred or may incur significant losses related to future chargebacks. Due to the unprecedented nature of the pandemic and the numerous current and future uncertainties that may impact any potential chargeback losses, and considering that the Company has no historical experience with similar uncertainties, a reasonable estimate of the possible accrual for future chargeback losses or range of losses cannot be made.

Indemnifications and Warranties

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

(8) Stock Compensation Plans

On January 1, 2021, the Company established a Qualified Retirement Equity Program that modified our existing stock compensation plans. The modification implemented a new retirement policy that permits retirees that meet certain eligibility criteria to continue vesting in unvested equity awards in accordance with the terms of the respective grant agreements, resulting in accelerated stock compensation expense for those employees meeting the definition of retirement eligible. During the quarter ended March 31, 2021, the Company recorded $104 million in accelerated stock compensation expense included in Selling, general, and administrative expenses in the consolidated statement of earnings to reflect the impact of the modification on unvested equity awards outstanding at January 1, 2021.

(9) Related-Party Transactions

The Company held a noncontrolling ownership stake in Cardinal Holdings ("Cardinal"), which operated the Capco consulting business, through April 29, 2021, when we sold our ownership stake due to an acquisition transaction of the Capco consulting business by Wipro Ltd. As a result of the transaction, we received net cash proceeds of approximately $367 million and recorded an approximate $225 million gain in Other income (expense), net on the consolidated statement of earnings. FIS' ownership stake in Cardinal was 36% at the date of sale and December 31, 2020. Prior to the sale, the Company recorded the ownership stake in Cardinal as an equity method investment included within Other noncurrent assets on the consolidated balance sheet. The carrying value of this equity method investment was $137 million at December 31, 2020.

FIS provides ongoing management consulting services and other services to Cardinal. FIS also purchases services and software licenses from Cardinal from time to time. Cardinal was a related party through April 29, 2021. Amounts transacted through these agreements were not significant to the 2021 and 2020 periods presented when Cardinal was a related party.

(10) Net Earnings per Share

The basic weighted average shares and common stock equivalents for the three and nine months ended September 30, 2021 and 2020, were computed using the treasury stock method.

The following table summarizes net earnings and net earnings per share attributable to FIS common stockholders for the three and nine months ended September 30, 2021 and 2020 (in millions, except per share amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net earnings attributable to FIS common stockholders	$ 158	$ 20	$ 126	$ 54
Weighted average shares outstanding-basic	613	620	618	618
Plus: Common stock equivalent shares	6	7	5	8
Weighted average shares outstanding-diluted	619	627	623	626
Net earnings per share-basic attributable to FIS common stockholders	$ 0.26	$ 0.03	$ 0.20	$ 0.09
Net earnings per share-diluted attributable to FIS common stockholders	$ 0.26	$ 0.03	$ 0.20	$ 0.09

Options to purchase approximately 1 million and less than 1 million shares of our common stock for the three months and 1 million and 2 million for the nine months ended September 30, 2021 and 2020, respectively were not included in the computation of diluted earnings per share because they were anti-dilutive.

In January 2021, our Board of Directors approved a new share repurchase program under which it authorized the Company to repurchase up to 100 million shares of our common stock at management's discretion from time to time on the open market or in privately negotiated transactions and through Rule 10b5-1 plans. The new repurchase program has no expiration date and may be suspended for periods, amended or discontinued at any time. Under the new share repurchase program, approximately 85 million shares remain available for repurchase as of September 30, 2021.

(11) Segment Information

FIS reports its financial performance based on the following segments: Merchant Solutions, Banking Solutions, Capital Market Solutions and Corporate and Other. The Company regularly assesses its portfolio of assets and reclassified certain non-strategic businesses from the Merchant Solutions, Banking Solutions, and Capital Market Solutions segments into the Corporate and Other segment during the year ended December 31, 2020, and recast all prior-period segment information presented. Below is a summary of each segment.

Merchant Solutions ("Merchant")

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

Banking Solutions ("Banking")

The Banking segment is focused on serving all sizes of financial institutions with core processing software, transaction processing software and complementary applications and services, many of which interact directly with the core processing applications. We sell these solutions and services on either a bundled or stand-alone basis. Clients in this segment include global financial institutions, U.S. regional and community banks, credit unions and commercial lenders, as well as government institutions and other commercial organizations. Banking serves clients in more than 100 countries. We provide our clients integrated solutions characterized by multi-year processing contracts that generate highly recurring revenue. The predictable nature of cash flows generated from the Banking segment provides opportunities for further investments in innovation, integration, information and security, and compliance in a cost-effective manner.

Capital Market Solutions ("Capital Markets")

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

Corporate and Other

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

The Company recorded acquisition and integration costs primarily related to the Worldpay acquisition as well as certain other costs, including costs associated with the Company's Platform initiatives totaling $64 million for the three and nine months ended September 30, 2021. The Company also recorded $202 million of asset impairments for certain software and deferred contract cost assets and $102 million of incremental amortization expense associated with shortened estimated useful lives and accelerated amortization methods for certain software and deferred contract cost assets driven by the Company's Platform initiatives for the three and nine months ended September 30, 2021. See Business Trends and Conditions within Item 2 of this Quarterly Report for additional information on the Company's Platform initiatives. The Company also recorded costs related to data center consolidation activities totaling $4 million and $20 million for the three months ended and $32 million and $60 million for the nine months ended September 30, 2021 and 2020, respectively. In addition, the Company recorded incremental costs directly related to COVID-19 of $14 million and $41 million for the three months ended and $33 million and $56 million for the nine months ended September 30, 2021 and 2020, respectively. For the nine months ended September 30, 2021, the Company also recorded $104 million in accelerated stock compensation expense to reflect the impact of establishing a Qualified Retirement Equity Program that modified unvested equity awards outstanding at January 1, 2021 (see Note 8).

Adjusted EBITDA

Adjusted EBITDA is a measure of segment profit or loss that is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with FASB ASC Topic 280, *Segment Reporting*. Adjusted EBITDA is defined as net earnings (loss) before net interest expense, net other income (expense), income tax provision (benefit), equity method investment earnings (loss), and depreciation and amortization, and excludes certain costs and other transactions that management deems non-operational in nature. The non-operational items affecting the segment profit measure generally include the amortization of purchase accounting adjustments as well as acquisition, integration and certain other costs and asset impairments. Adjusted EBITDA also excludes incremental and direct costs resulting from the COVID-19 pandemic. These costs and adjustments are recorded in the Corporate and Other segment for the periods discussed below. Adjusted EBITDA for the respective segments excludes the foregoing costs and adjustments.

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

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

For the three months ended September 30, 2021 (in millions):

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Revenue	$ 1,161	$ 1,610	$ 654	$ 82	$ 3,507
Operating expenses	(647)	(1,012)	(419)	(1,291)	(3,369)
Depreciation and amortization (including purchase accounting amortization)	86	144	81	747	1,058
Acquisition, integration and other costs	—	—	—	187	187
Asset impairments	—	—	—	202	202
Adjusted EBITDA	$ 600	$ 742	$ 316	$ (73)	$ 1,585
Adjusted EBITDA					$ 1,585
Depreciation and amortization					(344)
Purchase accounting amortization					(714)
Acquisition, integration and other costs					(187)
Asset impairments					(202)
Interest expense, net					(46)
Other income (expense), net					110
(Provision) benefit for income taxes					(41)
Net earnings attributable to noncontrolling interest					(3)
Net earnings attributable to FIS common stockholders					$ 158
Capital expenditures	$ 74	$ 94	$ 47	$ 50	$ 265

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

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Revenue	$ 1,017	$ 1,488	$ 587	$ 105	$ 3,197
Operating expenses	(604)	(968)	(392)	(1,002)	(2,966)
Depreciation and amortization (including purchase accounting amortization)	74	129	70	658	931
Acquisition, integration and other costs	—	—	—	195	195
Adjusted EBITDA	$ 487	$ 649	$ 265	$ (44)	$ 1,357
Adjusted EBITDA					$ 1,357
Depreciation and amortization					(238)
Purchase accounting amortization					(693)
Acquisition, integration and other costs					(195)
Interest expense, net					(84)
Other income (expense), net					(4)
(Provision) benefit for income taxes					(121)
Net earnings attributable to noncontrolling interest					(2)
Net earnings attributable to FIS common stockholders					$ 20
Capital expenditures (1)	$ 92	$ 130	$ 60	$ 11	$ 293

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

For the nine months ended September 30, 2021 (in millions):

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Revenue	$ 3,303	$ 4,729	$ 1,908	$ 265	$ 10,205
Operating expenses	(1,927)	(3,041)	(1,259)	(3,378)	(9,605)
Depreciation and amortization (including purchase accounting amortization)	263	441	248	2,029	2,981
Acquisition, integration and other costs	—	—	—	629	629
Asset impairments	—	—	—	202	202
Adjusted EBITDA	$ 1,639	$ 2,129	$ 897	$ (253)	$ 4,412
Adjusted EBITDA					$ 4,412
Depreciation and amortization					(918)
Purchase accounting amortization					(2,063)
Acquisition, integration and other costs					(629)
Asset impairments					(202)
Interest expense					(169)
Other income (expense), net					(58)
(Provision) benefit for income taxes					(246)
Equity method investment earnings (loss)					6
Net earnings attributable to noncontrolling interest					(7)
Net earnings (loss) attributable to FIS common stockholders					$ 126
Capital expenditures	$ 270	$ 301	$ 157	$ 149	$ 877

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

	Merchant Solutions	Banking Solutions	Capital Market Solutions	Corporate and Other	Total
Revenue	$ 2,764	$ 4,394	$ 1,777	$ 301	$ 9,236
Operating expenses	(1,747)	(2,908)	(1,176)	(3,020)	(8,851)
Depreciation and amortization (including purchase accounting amortization)	224	382	200	1,954	2,760
Acquisition, integration and other costs	—	—	—	616	616
Adjusted EBITDA	$ 1,241	$ 1,868	$ 801	$ (149)	$ 3,761
Adjusted EBITDA					$ 3,761
Depreciation and amortization					(705)
Purchase accounting amortization					(2,055)
Acquisition, integration and other costs					(616)
Interest expense, net					(252)
Other income (expense), net					31
(Provision) benefit for income taxes					(94)
Equity method investment earnings (loss)					(9)
Net earnings attributable to noncontrolling interest					(7)
Net earnings attributable to FIS common stockholders					$ 54
Capital expenditures (1)	$ 272	$ 384	$ 164	$ 39	$ 859

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

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

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

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

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

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

- the reaction of current and potential customers to communications from us or regulators regarding information security, risk management, internal audit or other matters;
- the risk that policies and resulting actions of the current administration in the U.S. may result in additional regulations and executive orders, as well as additional regulatory and tax costs;
- competitive pressures on pricing related to the decreasing number of community banks in the U.S., the development of new disruptive technologies competing with one or more of our solutions, increasing presence of international competitors in the U.S. market and the entry into the market by global banks and global companies with respect to certain competitive solutions, each of which may have the impact of unbundling individual solutions from a comprehensive suite of solutions we provide to many of our customers;
- the failure to innovate in order to keep up with new emerging technologies, which could impact our solutions and our ability to attract new, or retain existing, customers;
- an operational or natural disaster at one of our major operations centers;
- failure to comply with applicable requirements of payment networks or changes in those requirements;
- fraud by merchants or bad actors; and
- other risks detailed elsewhere in the Risk Factors and other sections of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, in our Quarterly Reports on Form 10-Q and in our other filings with the Securities and Exchange Commission.

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

Overview

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

We have grown organically as well as through acquisitions, which have contributed critical solutions and services that complement or enhance our existing offerings, diversifying our revenue by client, geography and service offering, and opening new and profitable adjacent markets that align with our core solutions' strengths. FIS evaluates possible acquisitions that might contribute to our growth or performance on an ongoing basis. We also develop new solutions that enhance our client offerings.

FIS reports its financial performance based on the following segments: Merchant Solutions ("Merchant"), Banking Solutions ("Banking"), Capital Market Solutions ("Capital Markets") and Corporate and Other. A description of our segments is included in Note 11 to the consolidated financial statements. Revenue by segment and the Adjusted EBITDA of our segments are discussed below in Segment Results of Operations. Amounts in tables below may not sum or calculate due to rounding.

Business Trends and Conditions

Our revenue is primarily derived from a combination of technology and processing services, transaction fees, professional services and software license fees. While we are a global company and do business around the world, the majority of our revenue is generated by clients in the U.S. The majority of our international revenue is generated by clients in the U.K., Germany, Australia, Brazil, Canada, and India. In addition, the majority of our revenue has historically been recurring and has been provided under multi-year Banking and Capital Markets contracts that contribute relative stability to our revenue stream. These services, in general, are considered critical to our clients' operations. Although Merchant has a lesser percentage of multi-year contracts, substantially all of our Merchant revenue is recurring, derived from transaction processing fees that fluctuate with the number or value of transactions processed, among other variable measures associated with consumer activity. Professional services revenue is typically non-recurring, though recognition often occurs over time rather than at a point in time. Sales of software licenses are typically non-recurring with point-in-time recognition and are less predictable.

COVID-19's impact to our financial results in the third quarter of 2021 lessened as compared to prior periods due to the continued reopening of markets, especially where reopening is accelerated by the accessibility and effective rollout of vaccines. In certain locations, where government lockdowns and shelter-in-place orders remain or have been tightened, particularly in certain areas of Europe and Brazil, reduced consumer spending continues to adversely impact our Merchant payments volume and related transaction revenue. In addition, certain discretionary spending verticals, including cross-border travel and airlines, continue to be impacted, although the impact has lessened.

We extended higher-than-usual levels of credit to our merchant clients during 2020 as part of funds settlement in connection with payments to their customers, for, among other things, refunds for cancelled trips as cases of COVID-19 spread across the globe. The level of credit extended to our merchant clients has since normalized. We are potentially exposed to losses if our merchant customers are unable to repay the credit we have extended or to fund their liability for chargebacks due to closure, insolvency, bankruptcy or other reasons. Our potential liability for chargebacks did not have a material impact on our liquidity for the three- and nine-month periods ended September 30, 2021, and we continue to monitor for impact on our liquidity, results of operations and financial condition.

We continue to assist financial institutions in migrating to outsourced integrated technology solutions to improve their profitability and address increasing and ongoing regulatory requirements. As a provider of outsourced 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.

Over the last five years, we have moved over 80% of our server compute, primarily in North America, to our FIS cloud located in our strategic data centers. This allows us to further enhance security for our clients' data and increases the flexibility and speed with which we can provide solutions and services to our clients, at lesser cost. We have also completed our data center consolidation program, generating a savings for the Company of over $250 million in run-rate annual expense since the program's inception in mid-2016.

Following the successful modernization of our IT infrastructure and consolidation of our data centers, we are now accelerating the modernization of our applications and integration of our technology platforms through our Platform initiatives. Our Platform initiatives primarily include enabling clients to easily consume the breadth of our capabilities using microservices as well as process automation and consolidation of technology platforms to speed new solution and service innovation over approximately the next three years.

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

In addition, we are investing in the development of new solutions and venture opportunities by establishing FIS Impact Ventures. This group prioritizes development of, and investment in, next-generation technology and innovation.

FIS continues to carefully monitor the effects of the ongoing COVID-19 pandemic as conditions continue to evolve in different parts of the world. Since the beginning of the pandemic, the Company has taken several actions to protect its employees while maintaining business continuity, including implementing its comprehensive Pandemic Plan. When the COVID-19 variants impacted India in the second quarter, we rolled out several benefits to help our employees there, including providing vaccines to over 15,000 employees and dependents. The Pandemic Plan includes site-specific plans as well as travel restrictions, medical response protocols, work-from-home strategies and enhanced cleaning within our locations. As a critical infrastructure provider for the global economy, FIS continues to operate around the world to serve our clients.

The spread of COVID-19 has caused us to modify our business practices, and we may take further actions as may be required by government authorities or as we determine are in the best interests of our employees, clients and business partners. While FIS has outfitted employees to provide services from home or transferred work to other locations, we recently began a limited reopening of offices in certain locations where the COVD-19 infection rates have been significantly reduced. In many locations, a hybrid work status will allow employees to work from home and the office.

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

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

FIS is a global leader in the merchant solutions industry, with differentiated solutions throughout the payments market, including capabilities in global eCommerce, integrated payments, enterprise payments and data security solutions in business-to-business ("B2B") payments. These solutions bring advanced payments technologies at each stage of the transaction life cycle. We have a broad solution portfolio, enabling us to significantly expand our merchant acquiring solutions, including our capabilities in the growing eCommerce and integrated payment segments of the market, which are in demand among our merchant clients as they look for ways to integrate technology into their business models.

As the impact of the COVID-19 pandemic lessens with the continuing reopening of markets, our merchant processing revenue has improved significantly as consumer spending increased, particularly in areas where the vaccine has been more accessible and more effectively rolled out. Certain areas of spending continue to lag behind pre-COVID 19 levels, such as cross-border travel and airlines, and our merchant processing revenues continue to be adversely affected in those areas. We expect that revenue will continue to be adversely impacted until the economic effects of the pandemic, including those caused by government, company and public travel restrictions, subside around the world but that revenue should continue to increase in areas where the vaccine rollout effectively continues.

As of the end of the third quarter of 2021, our achievement of revenue synergies from the Worldpay acquisition remains on track to meet or exceed our current targets, driven by successful cross-sell of our heritage FIS solutions into heritage Worldpay clients and leveraging our heritage Worldpay sales and distribution teams, expanding on our existing relationships with financial institutions to establish merchant referral agreements and optimizing our network routing capabilities. We have also exceeded our original target for expense synergies, as we have successfully integrated organizational structures, reduced corporate overhead and achieved cost savings within our operating environment, and we expect to continue to achieve additional expense synergies during 2021.

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

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

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

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

During the third quarter of 2021, we became aware that a particular vendor's point-of-sale devices, used by merchants to accept card payments, were initiating connections to destinations not listed in the vendor’s supplied documentation. We questioned the vendor about this issue and did not receive answers we consider satisfactory. While we are not aware of any evidence that data processed by the devices have in fact been compromised, we determined that we would no longer participate in the deployment of this vendor's devices and that we would assist our merchant customers actively processing through our acquiring platform in replacing these devices, at our expense. This replacement is expected to be completed in 2022, and the aggregate costs of acquiring and installing the devices are not expected to be material to our results of operations or financial condition. We do not believe that this incident has affected the security of our information systems.

Critical Accounting Policies and Estimates

There have been no significant changes to our critical accounting policies as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020. For discussion regarding the impact of the COVID-19 pandemic on our critical and significant accounting estimates subject to risk and uncertainties, see Notes 1, 3 and 7 to the consolidated financial statements.

Transactions with Related Parties

See Note 9 to the consolidated financial statements for a description of transactions with related parties.

Consolidated Results of Operations - Comparisons of three- and nine-month periods ended September 30, 2021 and 2020

	Three months ended September 30,				Nine months ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
	(In millions)				(In millions)			
Revenue	$ 3,507	$ 3,197	$ 310	10 %	$ 10,205	$ 9,236	$ 969	10 %
Cost of revenue	(2,178)	(2,104)	(74)	4	(6,431)	(6,238)	(193)	3
Gross profit	1,329	1,093	236	22	3,774	2,998	776	26
Gross profit margin	38 %	34 %			37 %	32 %		
Selling, general and administrative expenses	(989)	(862)	(127)	15	(2,972)	(2,613)	(359)	14
Asset impairments	(202)	—	(202)	NM	(202)	—	(202)	NM
Operating income	$ 138	$ 231	(93)	(40)	$ 600	$ 385	215	56
Operating margin	4 %	7 %			6 %	4 %		

NM = Not meaningful

Revenue

Revenue for the three and nine months ended September 30, 2021, increased primarily due to the continued global economic recovery from the pandemic leading to increased Merchant volumes, increased demand for our newly developed offerings in Banking, and strong new sales driving Capital Markets managed services and other recurring revenue growth. Revenue also benefited from a favorable foreign currency impact, which was primarily related to a weaker U.S. Dollar versus the Euro and the British Pound Sterling. See Segment Results of Operations below for more detailed explanation.

Cost of Revenue, Gross Profit and Gross Profit Margin

Cost of revenue and gross profit for the three and nine months ended September 30, 2021, increased primarily due to the revenue variances noted above. Gross profit margin for the three and nine months ended September 30, 2021, increased primarily due to revenue growth, a positive shift in revenue mix and continued expense management. This increase was partially offset by $102 million of incremental amortization expense associated with shortened estimated useful lives and accelerated amortization methods for certain software and deferred contract cost assets driven by the Company's Platform initiatives.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three and nine months ended September 30, 2021, increased primarily due to higher compensation expense, including incentive compensation and, for the nine months ended September 30, 2021, accelerated stock compensation expense recorded during the first quarter of 2021 associated with the establishment of the Qualified Retirement Equity Program that modified our existing stock compensation plans as described in Note 8 to the consolidated financial statements. These increases were partially offset by lower discretionary spending during the COVID-19 pandemic.

Asset Impairments

During the three and nine months ended September 30, 2021, the Company recorded $202 million of asset impairments for certain software and deferred contract cost assets driven by the Company's Platform initiatives.

Operating Income and Operating Margin

The change in operating income for the three and nine months ended September 30, 2021, resulted from the revenue and cost variances noted above. The operating margin for the three months ended September 30, 2021, decreased primarily due to the asset impairments, accelerated amortization expense, and higher compensation expense, partially offset by a positive shift in revenue mix and continued expense management discussed above as compared to prior year. The operating margin for the nine months ended September 30, 2021, increased primarily due to a positive shift in revenue mix and continued expense management, partially offset by asset impairments, accelerated amortization expense, and higher compensation expense discussed above as compared to prior year.

Total Other Income (Expense), Net

	Three months ended September 30,				Nine months ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
	(In millions)				(In millions)			
Other income (expense):								
Interest expense, net	$ (46)	$ (84)	$ 38	(45)%	$ (169)	$ (252)	$ 83	(33)%
Other income (expense), net	110	(4)	114	NM	(58)	31	(89)	NM
Total other income (expense), net	$ 64	$ (88)	152	NM	$ (227)	$ (221)	(6)	3 %

NM = Not meaningful

The decrease in interest expense, net is primarily due to lower outstanding debt and lower weighted average interest rate on the outstanding debt throughout the three and nine months ended September 30, 2021.

Other income (expense), net for the three and nine months ended September 30, 2021, includes net gains on equity security investments without readily determinable fair values of $126 million and $214 million, respectively (see Note 3 to the consolidated financial statements). For the nine months ended September 30, 2021, other income (expense), net also includes gain on the sale of our equity ownership interest in Cardinal Holdings of approximately $225 million and a loss on extinguishment of debt of approximately $528 million relating to tender premiums, make-whole amounts, and fees; the write-off of unamortized bond discounts and debt issuance costs; and losses on related derivative instruments. The foregoing loss resulted from the debt refinancing activity we undertook in the first quarter of 2021 (see Note 5 to the consolidated financial statements), which will substantially reduce our ongoing interest expense. Other income (expense), net for these periods also includes fair value adjustments on certain other non-operating assets and liabilities and foreign currency transaction remeasurement gains.

Other income (expense), net for the three and nine months ended September 30, 2020, primarily includes the fair value adjustment on certain assets and liabilities offset by foreign currency transaction remeasurement losses and the settlement recorded for the Reliance Trust claims, which is further described in Note 7 to the consolidated financial statements.

Provision (Benefit) for Income Taxes

	Three months ended September 30,				Nine months ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
	(In millions)				(In millions)			
Provision (benefit) for income taxes	$ 41	$ 121	$ (80)	NM	$ 246	$ 94	$ 152	NM
Effective tax rate	20 %	85 %			66 %	57 %		

NM = Not meaningful

The effective tax rate for the three months ended September 30, 2020, includes a one-time net remeasurement of certain deferred tax liabilities due to the increase in the U.K. corporate statutory tax rate from 17% to 19% enacted on July 22, 2020, causing a decrease in the effective tax rate for the three months ended September 30, 2021, when compared to the 2020 three-month period. The increase in the effective tax rate for the nine months ended September 30, 2021, is primarily due to the one-time net remeasurement of certain deferred tax liabilities due to the increase in the U.K. corporate statutory tax rate from 19% to 25% effective April 1, 2023, enacted on June 10, 2021.

Segment Results of Operations - Comparisons of three- and nine-month periods ended September 30, 2021 and 2020

FIS reports its financial performance based on the following segments: Merchant Solutions, Banking Solutions, Capital Market Solutions, and Corporate and Other. The Company reclassified certain non-strategic businesses from Merchant Solutions, Banking Solutions, and Capital Market Solutions into Corporate and Other during the year ended December 31, 2020, and recast all prior-period segment information presented.

Adjusted EBITDA is defined as net earnings (loss) before net interest expense, net other income (expense), income tax provision (benefit), equity method investment earnings (loss), depreciation and amortization, and excludes certain costs and other transactions that management deems non-operational in nature. This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with FASB ASC Topic 280, *Segment Reporting*. The non-operational items affecting the segment profit measure generally include the amortization of purchase accounting adjustments as well as acquisition, integration and certain other costs and asset impairments. Adjusted EBITDA also excludes incremental and direct costs resulting from the COVID-19 pandemic. These costs and adjustments are recorded in the Corporate and Other segment for the periods discussed below. Adjusted EBITDA for the respective segments excludes the foregoing costs and adjustments. Financial information, including details of Adjusted EBITDA, for each of our segments is set forth in Note 11 to the consolidated financial statements.

Merchant Solutions

	Three months ended September 30,				Nine months ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
	(In millions)				(In millions)			
Revenue	$ 1,161	$ 1,017	$ 144	14 %	$ 3,303	$ 2,764	$ 539	20 %
Adjusted EBITDA	$ 600	$ 487	113	23	$ 1,639	$ 1,241	398	32
Adjusted EBITDA margin	51.7 %	47.9 %			49.6 %	44.9 %		
Adjusted EBITDA margin basis points change	380				470			

Three months ended September 30:

Revenue increased primarily due to easing lockdown restrictions and the continued global economic recovery from the pandemic. Third quarter revenue increased due to higher card-present volumes contributing 12% to growth and card-not-present volumes contributing 5% to growth, which were offset (4%) primarily due to lower volumes from the shifted timing of the U.S. tax filing deadline from the second to the third quarter of 2020. Revenue also benefited from a favorable foreign currency impact contributing 1% to growth and was primarily related to a weaker U.S. Dollar versus the British Pound Sterling.

Adjusted EBITDA increased primarily due to the revenue impacts noted above. Adjusted EBITDA margin increased primarily due to revenue growth, higher-margin revenue mix and continued expense management.

Nine months ended September 30:

Revenue increased primarily due to easing lockdown restrictions and the continued global economic recovery from the pandemic. For the first nine months, revenue increased due to higher card-present volumes contributing 13% to growth and card-not-present volumes contributing 4% to growth. Revenue also benefited from a favorable foreign currency impact contributing 3% to growth and was primarily related to a weaker U.S. Dollar versus the British Pound Sterling.

Adjusted EBITDA increased primarily due to the revenue impacts noted above. Adjusted EBITDA margin increased primarily due to revenue growth, higher-margin revenue mix and continued expense management.

Banking Solutions

	Three months ended September 30,				Nine months ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
	(In millions)				(In millions)			
Revenue	$ 1,610	$ 1,488	$ 122	8 %	$ 4,729	$ 4,394	$ 335	8 %
Adjusted EBITDA	$ 742	$ 649	93	14	$ 2,129	$ 1,868	$ 261	14
Adjusted EBITDA margin	46.1 %	43.6 %			45.0 %	42.5 %		
Adjusted EBITDA margin basis points change	250				250			

Three months ended September 30:

Revenue increased primarily due to recurring revenue contributing 5% to growth, driven by strong new sales, including newly developed offerings, and increased volumes due to the continued global economic recovery from the pandemic. Non-recurring revenue also contributed 3% to growth, primarily due to the timing of termination fees.

Adjusted EBITDA increased primarily due to the revenue impacts noted above. Adjusted EBITDA margin increased primarily due to higher-margin revenue mix and continued expense management.

Nine months ended September 30:

Revenue increased primarily due to recurring revenue contributing 5% to growth, driven by strong new sales, including newly developed offerings, and increased volumes due to the continued global economic recovery from the pandemic. Non-recurring revenue also contributed 2% to growth primarily due to the timing of termination fees. Revenue also benefited from a favorable foreign currency impact contributing 1% to growth and was primarily related to a weaker U.S. Dollar versus the British Pound Sterling and the Euro.

Adjusted EBITDA increased primarily due to the revenue impacts noted above. Adjusted EBITDA margin increased primarily due to higher-margin revenue mix and continued expense management.

Capital Market Solutions

	Three months ended September 30,				Nine months ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
	(In millions)				(In millions)			
Revenue	$ 654	$ 587	$ 67	11 %	$ 1,908	$ 1,777	$ 131	7 %
Adjusted EBITDA	$ 316	$ 265	51	20	$ 897	$ 801	96	12
Adjusted EBITDA margin	48.4 %	45.1 %			47.0 %	45.1 %		
Adjusted EBITDA margin basis points change	330				190			

Three months ended September 30:

Revenue increased primarily due to recurring revenue contributing 4% to growth from strong new sales driving outsourced solutions and services. Non-recurring revenue also contributed 6% driven by strong deal execution in the quarter and favorable renewal timing. Revenue also benefited from a favorable foreign currency impact contributing 1% to growth and was primarily related to a weaker U.S. Dollar versus the British Pound Sterling.

Adjusted EBITDA increased primarily due to the revenue impacts noted above. Adjusted EBITDA margin increased primarily due to higher-margin revenue mix and continued expense management.

Nine months ended September 30:

Revenue increased primarily due to recurring revenue contributing 3% and non-recurring revenue contributing 3% to growth driven by strong new sales driving outsourced solutions and services. The growth of recurring revenue led to an increase in professional services revenue, with much of the services being delivered in a virtual capacity given the ongoing COVID-19 pandemic. Revenue also benefited from a favorable foreign currency impact contributing 1% to growth and was primarily related to a weaker U.S. Dollar versus the British Pound Sterling and the Euro.

Adjusted EBITDA increased primarily due to the revenue impacts noted above. Adjusted EBITDA margin increased primarily due to higher-margin revenue mix and continued expense management.

Corporate and Other

	Three months ended September 30,				Nine months ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
	(In millions)				(In millions)			
Revenue	$ 82	$ 105	$ (23)	(21)%	$ 265	$ 301	$ (36)	(12)%
Adjusted EBITDA	$ (73)	$ (44)	(29)	66	$ (253)	$ (149)	(104)	70

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

Three and nine months ended September 30:

Revenue decreased primarily due to client attrition in our non-strategic businesses.

Adjusted EBITDA decreased primarily due to the revenue impact noted above as well as higher compensation expense compared to prior year.

Liquidity and Capital Resources

Cash Requirements

Our ongoing cash requirements include operating expenses, income taxes, tax receivable obligations, mandatory debt service payments, capital expenditures, stockholder dividends, regulatory requirements, working capital and timing differences in settlement-related assets and liabilities, and may include discretionary debt repayments, share repurchases and business acquisitions. Our principal sources of funds are cash generated by operations and borrowings, including the capacity under our Revolving Credit Facility, the U.S. commercial paper program and the Euro-commercial paper program discussed in Note 5 to the consolidated financial statements.

As of September 30, 2021, the Company had $3,381 million of available liquidity, including $1,390 million of cash and cash equivalents and $1,991 million of capacity available under its Revolving Credit Facility. Approximately $686 million of cash and cash equivalents is held by our foreign entities. The majority of our cash and cash equivalents represents net deposits-in-transit at the balance sheet dates and relates to daily settlement activity and regulatory requirements. Debt outstanding totaled $19.8 billion, with an effective weighted average interest rate of 0.9%.

The Company's liquidity has improved during 2021 as compared to at the onset of the pandemic. However, our liquidity could be impacted if economic conditions deteriorate or as a result of governmental measures that might be imposed in response to the COVID-19 pandemic or any recurrence or related variants thereof.

The Company remains committed to reducing its leverage incurred in the Worldpay acquisition while ensuring ample liquidity and expects to reach its target leverage by the end of 2021.

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

We currently expect to continue to pay quarterly dividends, and we recently announced an intent to increase our dividend payout ratio over the next several years. However, the amount, declaration and payment of future dividends is at the discretion of our Board of Directors and depends on, among other things, our investment opportunities (including potential mergers and acquisitions), results of operations, financial condition, cash requirements, future prospects, the duration and impact of the COVID-19 pandemic, and other factors that may be considered relevant by our Board of Directors, including legal and contractual restrictions. Additionally, the payment of cash dividends may be limited by covenants in certain debt agreements. A regular quarterly dividend of $0.39 per common share is payable on December 27, 2021, to shareholders of record as of the close of business on December 13, 2021.

In January 2021, our Board of Directors approved a new share repurchase program under which it authorized the Company to repurchase up to 100 million shares of our common stock at management's discretion from time to time on the open market or in privately negotiated transactions and through Rule 10b5-1 plans. The new share repurchase program has no expiration date and may be suspended for periods, amended or discontinued at any time. Under the new share repurchase program, the Company repurchased approximately $1.2 billion in shares during the third quarter and approximately 85 million shares remain available for repurchase as of September 30, 2021.

Cash Flows from Operations

Cash flows from operations were $3,697 million and $3,024 million for the nine-month periods ended September 30, 2021 and 2020, respectively. Our net cash provided by operating activities consists primarily of net earnings, adjusted to add back depreciation and amortization. Cash flows from operations increased $673 million in the 2021 period primarily due to the continued global economic recovery from the pandemic, partially offset by working capital timing.

Capital Expenditures and Other Investing Activities

Our principal capital expenditures are for software (purchased and internally developed) and additions to property and equipment. We invested approximately $877 million and $838 million in capital expenditures (excluding other financing obligations for certain hardware and software) during the nine-month periods ended September 30, 2021 and 2020, respectively. We expect to continue investing in property and equipment, purchased software and internally developed software to support our business.

We received approximately $367 million of cash during the nine months ended September 30, 2021, for the net proceeds from the sale of our equity ownership interest in Cardinal Holdings. We used $469 million of cash (net of cash acquired) during the nine months ended September 30, 2020, primarily for the Virtus acquisition completed on January 2, 2020.

Financing

For more information regarding the Company's debt and financing activity see Note 5 to the consolidated financial statements.

Contractual Obligations

There were no material changes in our contractual obligations through the nine months ended September 30, 2021, in comparison to the table included in our Annual Report on Form 10-K for the year ended December 31, 2020, except as disclosed in Note 5 to the consolidated financial statements.

Off-Balance Sheet Arrangements

FIS does not have any material off-balance sheet arrangements.

Recent Accounting Pronouncements

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

Item 3. Quantitative and Qualitative Disclosure About Market Risks

Market Risk

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

Interest Rate Risk

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

Our fixed rate senior notes (as included in Note 5 to the consolidated financial statements) represent the majority of our fixed-rate long-term debt obligations as of September 30, 2021. The carrying value, excluding the fair value of the interest rate swaps described below and unamortized discounts, of our senior notes was $16.4 billion as of September 30, 2021. The fair value of our senior notes was approximately $17.2 billion as of September 30, 2021. The potential reduction in fair value of the senior notes from a hypothetical 10 percent increase in market interest rates would not be material to the overall fair value of the debt.

Our variable-rate risk principally relates to borrowings under our U.S. commercial paper program, Euro-commercial paper program, and Revolving Credit Facility (as included in Note 5 to the consolidated financial statements) and interest rate swaps on our fixed-rate long-term debt (collectively, "variable-rate debt"). At September 30, 2021, our weighted-average cost of debt was 0.9% with a weighted-average maturity of 5.7 years; 64% of our debt was fixed rate, and the remaining 36% of our debt was variable rate. A 100 basis-point increase in the weighted-average interest rate on our variable-rate debt would have increased our annual interest expense by $72 million. We performed the foregoing sensitivity analysis based solely on the principal amount of our variable-rate debt as of September 30, 2021. This sensitivity analysis does not take into account any changes that occurred in the prior 12 months or that may take place in the next 12 months in the amount of our outstanding debt. Further, this sensitivity analysis assumes the change in interest rates is applicable for an entire year. For comparison purposes, based on principal amounts of variable-rate debt outstanding as of September 30, 2020, and calculated in the same manner as set forth above, an increase of 100 basis points in the weighted-average interest rate would have increased our annual interest expense by approximately $43 million.

As of September 30, 2021, the following interest rate swaps converting the interest rate exposure on certain of our senior notes from fixed to variable are outstanding (in millions):

Notional Amount by Currency		Maturities	Weighted Average Receive Rate	Weighted Average Pay Rate
$	1,854	2029 - 2031	2.74 %	1.65 %
£	925	2029 - 2031	3.00 %	2.28 %
€	500	2024	1.10 %	0.33 %

By entering into the aforementioned swap agreements, we have assumed risks associated with variable interest rates based upon LIBOR. Changes in the overall level of interest rates affect the interest expense that we recognize. We designated the interest rate swaps as fair value hedges for accounting purposes as described in Note 6 to the consolidated financial statements. A 100 basis-point increase in the 3-month USD LIBOR rate, 6-month GBP LIBOR rate, and 3-month Euribor rate, as applicable, for the interest rate swaps outstanding as of September 30, 2021 and 2020, would increase our annual interest expense by approximately $37 million and $6 million, respectively.

Foreign Currency Risk

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

Our exposure to foreign currency exchange risks generally arises from our non-U.S. operations, to the extent they are conducted in local currency. Changes in foreign currency exchange rates affect translations of revenue denominated in currencies other than the U.S. Dollar. We generated approximately $725 million and $612 million during the three months and $2,062 million and $1,740 million during the nine months ended September 30, 2021 and 2020, respectively, in revenue denominated in currencies other than the U.S. Dollar. The major currencies to which our revenue is exposed are the British Pound Sterling, Euro, Brazilian Real, Indian Rupee and Australian Dollar. A 10% movement in average exchange rates for these currencies (assuming a simultaneous and immediate 10% change in all of such rates for the relevant period) would have resulted in the following increase or decrease in our reported revenue for the three and nine months ended September 30, 2021 and 2020 (in millions):

Currency	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Pound Sterling	$ 44	$ 35	$ 127	$ 100
Euro	8	8	26	24
Real	4	3	10	9
Rupee	3	3	8	7
Australian Dollar	2	3	6	6
Total increase or decrease	$ 61	$ 52	$ 177	$ 146

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

Our foreign exchange risk management policy permits the use of derivative instruments, such as forward contracts and options, to reduce volatility in our results of operations and/or cash flows resulting from foreign exchange rate fluctuations. We do not enter into foreign currency derivative instruments for trading purposes or to engage in speculative activity. We do periodically enter into foreign currency forward contracts to hedge foreign currency exposure to intercompany loans and other balance sheet items. The Company also utilizes foreign currency-denominated debt and cross-currency interest rate swaps designated as net investment hedges in order to reduce the volatility of the net investment value of certain of its Euro and Pound Sterling functional subsidiaries (see Note 6 to the consolidated financial statements).

Item 4. Controls and Procedures

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

There have been no changes in our internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II: OTHER INFORMATION

Item 1A. Risk Factors

See Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2020, for a detailed discussion of risk factors affecting the Company. There have been no material changes in the risk factors described therein except for an update to the risk factor included below to reflect the merchant point-of-sale device matter discussed in Business Trends and Conditions within Item 2 of this Quarterly Report.

Our business and operating results could be adversely affected if we experience business interruptions, errors or failure in connection with our or third-party information technology and communication systems and other software and hardware used in connection with our business, if we experience defects or design errors in the software solutions we offer, or more generally, if the third-party vendors we rely upon are unwilling or unable to provide the services we need to effectively operate our business.

Many of our services are based on sophisticated software and computing systems, and we may encounter delays when developing new technology solutions and services. Further, the technology solutions underlying our services have occasionally contained, and may in the future contain, undetected errors or defects when first introduced or when new versions are released. In addition, we may experience difficulties in installing or integrating our technologies on platforms used by our clients, or our clients may cancel a project after we have expended significant effort and resources to complete an installation. Finally, our systems and operations could be exposed to damage or interruption from fire, natural disaster, power loss, telecommunications failure, unauthorized entry and computer viruses. Defects in our technology solutions, errors or delays in the processing of electronic transactions, or other difficulties could result in (i) interruption of business operations; (ii) delay in market acceptance; (iii) additional development and remediation costs; (iv) diversion of technical and other resources; (v) loss of clients; (vi) negative publicity; or (vii) exposure to liability claims. Any one or more of the foregoing could have an adverse effect on our business, financial condition and results of operations. Although we attempt to limit our potential liability through controls, including system redundancies, security controls, application development and testing controls, and disclaimers and limitation-of-liability provisions in our license and client agreements, we cannot be certain that these measures will always be successful in preventing disruption or limiting our liability.

Further, most of the solutions we offer are very complex software systems that are regularly updated. No matter how careful the design and development, complex software often contains errors and defects when first introduced and when major new updates or enhancements are released. If errors or defects are discovered in current or future solutions, then we may not be able to correct them in a timely manner, if at all. In our development of updates and enhancements to our software solutions, we may make a major design error that makes the solution operate incorrectly or less efficiently. The failure of software to properly perform could result in the Company and its clients being subjected to losses or liability, including censures, fines, or other sanctions by the applicable regulatory authorities, and we could be liable to parties who are financially harmed by those errors. In addition, such errors could cause the Company to lose revenue, lose clients or damage its reputation.

Our Merchant business has made progress toward implementation of a new proprietary global acquiring platform project begun by Worldpay. As we continue to implement this project, through the migration of existing merchant customers and onboarding of new merchant customers to the platform, the scale and complexity associated with this project presents the increased potential for service level delays or disruptions in the processing of transactions, telecommunications failures or other difficulties. Such delays or disruptions could result in reputational harm, loss of business and increased operational or technological costs.

In addition, we generally depend on a number of third parties, both in the United States and internationally, to supply elements of our systems, computers, research and market data, connectivity, communication network infrastructure, other equipment and related support and maintenance. We cannot be certain that any of these third parties will be able to continue providing these services to effectively meet our evolving needs. As described elsewhere in this report, we are currently working to assist our customers in replacing merchant point-of-sale terminals made by a specific vendor. There is currently a shortage of supply for these devices, which may delay or otherwise adversely affect this replacement. If our vendors, or in certain cases vendors of our customers, fail to meet their obligations, provide poor or untimely service, or we are unable to make alternative arrangements for the provision of these services, then we may in turn fail to provide our services or to meet our obligations to our customers, and our business, financial condition and operating results could be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes purchases of equity securities by the issuer during the three-month period ended September 30, 2021:

Period	Total number of shares purchased (1) (in millions)	Average price paid per share	Total cost of shares purchased as part of publicly announced plans or programs (1) (in millions)	Maximum number of shares that may yet be purchased under the plans or programs (1) (in millions)
July 1-31, 2021	—	$ —	$ —	94.5
August 1-31, 2021	7.8	$ 133.53	$ 1,045.8	86.7
September 1-30, 2021	1.2	$ 124.60	$ 150.0	85.5
	9.0		$ 1,195.8	

(1) In January 2021, our Board of Directors approved a new share repurchase program under which it authorized the Company to repurchase up to 100 million shares of our common stock at management's discretion from time to time on the open market or in privately negotiated transactions and through Rule 10b5-1 plans. The new share repurchase program has no expiration date and may be suspended for periods, amended or discontinued at any time. Under the new share repurchase program, approximately 85.5 million shares remain available for repurchases as of September 30, 2021.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	SEC File Number	Exhibit	Filing Date	
10.1	Employment Agreement, effective as of September 2, 2021, by and between Fidelity National Information Services, Inc., and Stephanie Ferris.(1)					*
31.1	Certification of Gary A. Norcross, President and Chief Executive Officer of Fidelity National Information Services, Inc., pursuant to rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Certification of James W. Woodall, Corporate Executive Vice President and Chief Financial Officer of Fidelity National Information Services, Inc., pursuant to rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
32.1	Certification of Gary A. Norcross, President and and Chief Executive Officer of Fidelity National Information Services, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					*
32.2	Certification of James W. Woodall, Corporate Executive Vice President and Chief Financial Officer of Fidelity National Information Services, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					*
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					*

(1) Management contract or compensatory plan or arrangement.

* Filed or furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	FIDELITY NATIONAL INFORMATION SERVICES, INC.	
Date: November 4, 2021	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 4, 2021	By:	/s/ THOMAS K. WARREN
		Thomas K. Warren Chief Accounting Officer (Principal Accounting Officer)

Execution Copy

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is effective as of September 2, 2021 (the "Effective Date"), by and between **FIDELITY NATIONAL INFORMATION SERVICES, INC.,** a Georgia corporation (the "Company"), and **STEPHANIE FERRIS** (the "Employee"). In consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. Purpose. The purpose of this Agreement is to recognize Employee's prior significant contributions to the overall financial performance and success of Company, to protect Company's business interests through the addition of restrictive covenants, and to provide a single, integrated document which shall provide the basis for Employee's continued employment by Company.

2. Employment and Duties. Subject to the terms and conditions of this Agreement, Company employs Employee to serve as Chief Administrative Officer, with responsibilities for various operations and functions of the Company as designated by the Company's Chief Executive Officer, which may change from time to time consistent with an executive role with the Company, or in such other capacity as may be mutually agreed by the parties. Employee accepts such employment and agrees to undertake and discharge the duties, functions and responsibilities commensurate with the aforesaid position. Employee shall devote substantially all business time, attention and effort to the performance of duties hereunder and shall not engage in any business, profession or occupation, for compensation or otherwise without the express written consent of the Company, other than personal, personal investment, charitable, educational or civic activities or other matters that do not conflict unreasonably with Employee's duties. Employee shall be permitted to serve on the board of directors of Lululemon and may consider other boards of companies that do not create conflicts of interest with the Company or impact the ability of Employee to fulfill her duties hereunder subject to the approval of the Chief Executive Officer. Employee shall be principally based at the Company's headquarters in Jacksonville, Florida throughout the Employment Term and shall move her primary residence to Jacksonville, Florida no later than the summer of 2022.

3. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of three (3) years ending on the third anniversary of the Effective Date or, if later, ending on the last day of any extension made pursuant to the next sentence, subject to prior termination as set forth in Section 9 (such term, including any extensions pursuant to the next sentence, the "Employment Term"). The Employment Term shall be extended automatically for one (1) additional year on the second anniversary of the Effective Date and for an additional year on each anniversary thereafter unless and until either party gives written notice to the other not to extend the Employment Term before such extension would be effectuated.

4. Salary. During the Employment Term, Company shall pay Employee an annual base salary, before deducting all applicable withholdings, of $700,000 per year, payable at the time and in the manner dictated by Company's standard payroll policies. Such minimum annual base salary shall be periodically reviewed (at least annually) and may be increased (but not decreased without Employee's express written consent except in the case of a salary decrease for all executive officers of the Company at the discretion of the Company and with such decrease being no greater

than at the same percentage level as for all other executive officers) (such annual base salary, including any variations, the "Annual Base Salary").

5. <u>Other Compensation and Fringe Benefits</u>. In addition to any executive bonus, pension, deferred compensation and long-term incentive plans which Company or an affiliate of Company may from time to time make available to Employee, Employee shall be entitled to the following during the Employment Term:

(a) Commencing in calendar year 2022, Employee will be eligible to receive an annual incentive bonus opportunity under Company's annual officer incentive plan for each calendar year included in the Employment Term, with such opportunity to be earned based upon attainment of performance objectives established by the Company ("Annual Bonus"). Employee's target Annual Bonus shall be no less than 150% of Employee's then current Annual Base Salary, with a maximum of up to 2 times target (collectively, the target and maximum Annual Bonus are referred to as the "Annual Bonus Opportunity"). For calendar year 2021, Employee will be eligible for an Annual Bonus Opportunity based upon a pro rata calculation of the number of months worked in the year (*e.g.* If September 1 is the Effective Date, Employee would be eligible for a 1/3 Annual Bonus Opportunity for 2021). Employee's Annual Bonus Opportunity may be periodically reviewed and increased by the Company, but may not be decreased without Employee's express written consent. Employee's Annual Bonus is subject to the Company's clawback policy, pursuant to which the Company may recoup all or a portion of any bonus paid if, after payment, there is a finding of fraud, a restatement of financial results, or errors or omissions discovered that call into question the business results on which the bonus was based. If owed pursuant to the terms of the plan, the Annual Bonus shall be paid no later than the March 15th first following the calendar year to which the Annual Bonus relates.

(b) Pursuant to the terms of Fidelity National Information Services, Inc. Amended and Restated 2008 Omnibus Incentive Plan, as amended (the "Omnibus Plan"), on or shortly after the Effective Date, the Company shall provide Employee with an equity grant with a value of approximately $6,000,000. The grant will include terms providing for a cliff vest three (3) years from the grant date. The grant will consist of performance share units (55%), stock options (25%) and restricted stock units (20%). The performance criteria for the performance share units will be consistent with the performance criteria in awards received by other executive officers of the Company in March, 2021.

(c) Pursuant to the Omnibus Plan and subject to approval by the Compensation Committee of the Board of Directors of the Company, the Company shall provide Employee with an equity grant in March 2022, or such other date as annual grants are made to executive officers of the Company, with a value of approximately $6,000,000. The grant will include terms consistent with those made to other executive officers at that time. For annual grants, if made to executive officers of the Company in the ordinary course of business, beginning in 2023 and during the Employment Term, subject to the approval by the Compensation Committee of the

Board of Directors of the Company, the Company shall provide Employee with an annual equity grant with a value of not less than approximately $6,000,000 at the time such grants are made to other executive officers of the Company

(d) All other benefits and incentive opportunities made available to similarly situated executives. This would include relocation assistance in accordance with Exhibit A hereto, and access to Company planes for business travel subject to availability and Company policy.

6. Compensation Policies. Company has adopted certain compensation related policies and stock ownership guidelines that apply to Employee. Employee acknowledges that, as a corporate officer, she is encouraged to maintain, within a reasonable period of time, an ownership level in Company stock of at least five (5) times her annual base salary and that following the vesting of any restricted shares granted to her, Employee must hold 50% of those shares for at least six (6) months for as long as Employee is employed by the Company. Employee shall have until April, 2022 to meet these stock ownership guidelines. Employee further represents that she has read and understands the Company's policies regarding insider trading and prohibiting the hedging and pledging of Company stock.

7. Vacation. For and during each calendar year within the Employment Term, Employee shall be entitled to paid vacation (minimum of five weeks per 12-month period during the Employment Term) plus recognized Company holidays, in accordance with Company policy.

8. Expense Reimbursement. In addition to the compensation and benefits provided herein, Company shall, upon receipt of appropriate documentation, reimburse Employee each month for reasonable travel, lodging, entertainment, promotion and other ordinary and necessary business expenses incurred during the Employment Term to the extent such reimbursement is permitted under Company's expense reimbursement policy.

9. Termination of Employment. Company or Employee may terminate Employee's employment at any time and for any reason in accordance with Subsection (a) below. The Employment Term shall be deemed to have ended on the last day of Employee's employment. The Employment Term shall terminate automatically upon Employee's death.

(a) Notice of Termination. Any purported termination of Employee's employment (other than by reason of death) shall be communicated by written Notice of Termination (as defined herein) from one party to the other in accordance with the notice provisions contained in this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that indicates the "Date of Termination" and, with respect to a termination due to "Cause", "Disability" or "Good Reason", sets forth in reasonable detail the facts and circumstances that are alleged to provide a basis for such termination. A Notice of Termination from Company shall specify whether the termination is with or without Cause or due to Employee's Disability. A Notice of Termination from Employee shall specify whether the termination is with or without Good Reason.

(b) Date of Termination. For purposes of this Agreement, "Date of Termination" shall mean the date specified in the Notice of Termination (but in no event shall such date be earlier than the thirtieth (30^{th}) day following the date the Notice of Termination is given) or the date of Employee's death. If the Company disagrees with an Employee's designated Date of Termination, the Company shall have the right to set an alternative earlier final Date of Termination, which, in and of itself, shall not change the characterization of the termination (e.g., from an Employee Termination Without Good Reason to a Company Termination Without Cause).

(c) No Waiver. The failure to set forth any fact or circumstance in a Notice of Termination, which fact or circumstance was not known to the party giving the Notice of Termination when the notice was given, shall not constitute a waiver of the right to assert such fact or circumstance in an attempt to enforce any right under or provision of this Agreement.

(d) Cause. For purposes of this Agreement, a termination for "Cause" means a termination by Company based upon Employee's: (i) persistent knowing failure to perform duties consistent with a commercially reasonable standard of care (other than due to a physical or mental impairment or due to an action or inaction directed by Company that would otherwise constitute Good Reason); (ii) willful neglect of duties (other than due to a physical or mental impairment or due to an action or inaction directed by Company that would otherwise constitute Good Reason); (iii) conviction of, or pleading nolo contendere to, criminal activities involving dishonesty or moral turpitude; (iv) material breach of this Agreement; (v) material breach of the Company's business policies, accounting practices or standards of ethics; or (vi) intentional failure to materially cooperate with or impeding an investigation authorized by the Board; provided, however, that no such event described in subsections (i), (ii), (iv), (v), or (vi) above shall constitute Cause unless: (1) Employer gives Notice of Termination to Employee specifying the condition or event relied upon for such termination within ninety (90) days of the initial existence of such event and (2) Employee fails to cure the condition or event constituting Cause within thirty (30) days following receipt of Employer's Notice of Termination.

(e) Disability. For purposes of this Agreement, a termination based upon "Disability" means a termination by Company based upon Employee's entitlement to long-term disability benefits under Company's long-term disability plan or policy, as the case may be, as in effect on the Date of Termination.

(f) Good Reason. For purposes of this Agreement, a termination for "Good Reason" means a termination by Employee based upon the occurrence (without Employee's express written consent) of any of the following:

(i) a material diminution in Employee's Annual Base Salary (except as provided hereinabove) or Annual Bonus Opportunity;

(ii) a material reduction in Employee's duties, responsibilities, authority or reporting lines (it being agreed that any requirement by the Company that Employee report to anyone other than the Chief Executive Officer of the Company will be deemed such a material reduction);

(iii) a material breach by Company of any of its obligations under this Agreement; or

(iv) if Employee receives notice of intent not to renew this Agreement within one year of a Change of Control (as defined in the Omnibus Plan then in effect).

Notwithstanding the foregoing, Employee being placed on a paid leave for up to sixty (60) days pending a determination of whether there is a basis to terminate Employee for Cause shall not constitute Good Reason. Employee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder; provided, however, that no such event described above shall constitute Good Reason unless: (1) Employee gives Notice of Termination to Company specifying the condition or event relied upon for such termination within ninety (90) days of the initial existence of such event and (2) Company fails to cure the condition or event constituting Good Reason within thirty (30) days following receipt of Employee's Notice of Termination.

10. Obligations of Company Upon Termination.

(a) Termination by Company for a Reason Other than Cause, Death or Disability, or Termination by Employee with Good Reason. If Employee's employment is terminated during the Employment Term by: (1) Company for any reason other than Cause, Death or Disability; or (2) Employee with Good Reason - both of which will be considered involuntary terminations.

(i) Company shall pay Employee the following (collectively, the "Accrued Obligations"): (A) within five (5) business days after the Date of Termination, any earned but unpaid Annual Base Salary, and accrued unused vacation time per Company policy and applicable law; (B) within a reasonable time following submission of all applicable documentation, any expense reimbursement payments owed to Employee for expenses incurred prior to the Date of Termination; (C) any accrued but unused vacation pay; and (D) no later than March 15th of the year in which the Date of Termination occurs, any earned but unpaid Annual Bonus payments relating to the prior calendar year (with subjective goals, if any, being treated as achieved at no less than target).

(ii) Company shall pay Employee no later than March 15th of the calendar year following the year in which the Date of Termination occurs, a prorated Annual Bonus based upon the actual Annual Bonus that would have been earned by Employee for the year in which the Date of Termination occurs (with subjective goals, if any, being treated as achieved at no less than target), ignoring any requirement under the Annual Bonus Plan that Employee must be employed on the payment date (using Employee's Annual Bonus Opportunity for the prior year if no Annual Bonus Opportunity has been approved for the year in which the Date of Termination occurs), multiplied by the percentage of the calendar year completed before the Date of Termination;

(iii) Subject to Section 26(b) hereof, the Company shall pay Employee as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination, a lump-sum payment equal to 200% of the sum of: (A) Employee's Annual Base Salary in effect immediately prior to the Date of Termination (disregarding any reduction in Annual Base Salary to which Employee did not expressly consent in writing or any other reduction within six months prior to the Date of Termination); and (B) the target Annual Bonus (disregarding any reduction in Annual Bonus target to which Employee did not expressly consent in writing or any other reduction within six months prior to the Date of Termination) in which the Date of Termination occurs;

(iv) Subject to Section 26(b) hereof, all stock option, restricted stock, performance units and other equity-based incentive awards granted by Company that were outstanding but not vested as of the Date of Termination shall become vested and/or payable on the dates specified in the applicable grant agreements, as the case may be, unless the equity incentive awards are based upon satisfaction of performance criteria; in which case, they will only vest and be distributed based upon the satisfaction of such performance criteria on the dates designated in the applicable grant agreement, and

(v) As long as Employee pays the full monthly premiums for COBRA coverage, Company shall provide Employee and, as applicable, Employee's eligible dependents with continued medical and dental coverage, on the same basis as provided to Company's active executives and their dependents until the earlier of: (i) 18 months after the Date of Termination; or (ii) the date Employee is first eligible for medical and dental coverage (without pre-existing condition limitations) with a subsequent employer. In addition, as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination, Company shall pay Employee a lump sum cash payment equal to eighteen monthly medical and dental COBRA premiums based on the level of coverage in effect for the Employee (e.g., employee only or family coverage) on the Date of Termination.

(b) Termination by Company for Cause and by Employee without Good Reason. If Employee's employment is terminated during the Employment Term by Company for Cause or by Employee without Good Reason, Company's only obligation under this Agreement shall be payment of any Accrued Obligations.

(c) Termination due to Death or Disability. If Employee's employment is terminated prior to the second anniversary of the Effective Date due to death or disability, Employee shall be entitled to those post termination payments and benefits set forth in Section 10(a)(ii) above and vesting and payment of all equity-based incentive awards as provided in Section 10(a)(iv). For the remainder of

Employee's employment after the second anniversary after the Effective Date, if Employee's employment is then terminated during the Employment Term due to death or Disability, Company shall pay Employee (or to Employee's estate or personal representative in the case of death), as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination: (i) any Accrued Obligations; plus (ii) a prorated Annual Bonus based upon the target Annual Bonus Opportunity in the year in which the Date of Termination occurred (or the prior year if no target Annual Bonus Opportunity has yet been determined) multiplied by the percentage of the calendar year completed before the Date of Termination; plus (iii) the unpaid portion of the Annual Base Salary that would have been paid through the remainder of the Employment Term but for the termination due to Disability; plus (iv) vesting and/or payment of all equity-based incentive awards as provided in Section 10(a)(iv); provided that the amount Annual Base Salary due Employee following a termination for Disability shall be reduced by the benefit due for the remainder of the Employment Term under any Company sponsored disability plan covering the Employee.

(d) Termination following Notice of Non-Renewal. If Employee receives a notice from the Company pursuant to Section 3 hereof of its intention not to extend the Employment Term beyond the initial three-year term, Employee may elect to terminate her employment at any time following the four-month anniversary of the date of such notice or such earlier date as mutually agreed in writing by the Company and Employee. Upon such termination, subject to Section 26(b) hereof, 100% of the equity award referenced in Section 5(b) hereof, and 50% of each subsequent equity award referenced in Section 5(c) which is made in 2022 or thereafter, of stock options, restricted stock, performance units and other equity-based incentive awards granted by Company that were outstanding but not vested as of the Date of Termination shall become vested and/or payable on the dates specified in the applicable grant agreements, as the case may be, unless the equity incentive awards are based upon satisfaction of performance criteria; in which case, they will only vest and be distributed based upon the satisfaction of such performance criteria on the dates designated in the applicable grant agreement.

11. Non-Delegation of Employee's Rights. The obligations, rights and benefits of Employee hereunder are personal and may not be delegated, assigned or transferred in any manner whatsoever, nor are such obligations, rights or benefits subject to involuntary alienation, assignment or transfer.

12. Confidential Information. Employee will occupy a position of trust and confidence and will have access to and learn substantial information about Company and its affiliates and their operations that is confidential or not generally known in the industry including, without limitation, information that relates to purchasing, sales, customers, marketing, and the financial positions and financing arrangements of Company and its affiliates. Employee agrees that all such information is proprietary or confidential, or constitutes trade secrets and is the sole property of Company and/or its affiliates, as the case may be. Employee will keep confidential and, outside the scope of Employee's duties and responsibilities with Company and its affiliates, will not reproduce, copy or disclose to

any other person or firm, any such information or any documents or information relating to Company's or its affiliates' methods, processes, customers, accounts, analyses, systems, charts, programs, procedures, correspondence or records, or any other documents used or owned by Company or any of its affiliates, nor will Employee advise, discuss with or in any way assist any other person, firm or entity in obtaining or learning about any of the items described in this section. Accordingly, during the Employment Term and at all times thereafter Employee will not disclose, or permit or encourage anyone else to disclose, any such information, nor will Employee utilize any such information, either alone or with others, outside the scope of Employee's duties and responsibilities with Company and its affiliates.

13. Non-Competition.

(a) During Employment Term. During the Employment Term, Employee will devote such business time, attention and energies reasonably necessary to the diligent and faithful performance of the services to Company and its affiliates, and will not engage in any way whatsoever, directly or indirectly, in any business that is a direct competitor with Company's or its affiliates' principal business, nor solicit customers, suppliers or employees of Company or affiliates on behalf of, or in any other manner work for or assist any business which is a direct competitor with Company's or its affiliates' principal business. In addition, during the Employment Term, Employee will undertake no planning for or organization of any business activity competitive with the work performed as an employee of Company, and Employee will not combine or conspire with any other employee of Company or any other person for the purpose of organizing any such competitive business activity.

(b) After Employment Term. The parties acknowledge that Employee will acquire substantial knowledge and information concerning the business of Company and its affiliates as a result of employment. The parties further acknowledge that the scope of business in which Company and its affiliates are engaged as of the Effective Date is international and very competitive. Competition by Employee in that business after the Employment Term would severely injure Company and its affiliates. Accordingly, for a period of one (1) year after Employee's employment terminates for any reason whatsoever, Employee agrees not to, directly or indirectly: (1) become an employee, consultant, advisor, principal, partner or substantial shareholder of any firm or business that directly competes with Company or its affiliates in their principal products and markets; and (2), on behalf of any such competitive firm or business, not to solicit any person or business that was at the time of such termination and remains a customer or prospective customer, a supplier or prospective supplier, or to solicit, hire or engage an employee or contractor, of Company or an affiliate.

14. Return of Company Documents. Upon termination of the Employment Term, Employee shall return immediately to Company all records and documents of or pertaining to Company or its affiliates and shall not make or retain any copy or extract of any such record or document, or any other property of Company or its affiliates. For the avoidance of doubt,

Employee may make an electronic copy and retain her personal correspondence and any information necessary for her to file his personal tax returns.

15. Improvements and Inventions. Any and all improvements or inventions that Employee may make or participate in during the Employment Term, unless wholly unrelated to the business of Company and its affiliates and not produced within the scope of Employee's employment hereunder, shall be the sole and exclusive property of Company. Employee shall, whenever requested by Company, execute and deliver any and all documents that Company deems appropriate in order to apply for and obtain patents or copyrights in improvements or inventions or in order to assign and/or convey to Company the sole and exclusive right, title and interest in and to such improvements, inventions, patents, copyrights or applications.

16. Actions and Survival. The parties agree and acknowledge that the rights conveyed by this Agreement are of a unique and special nature and that Company will not have an adequate remedy at law in the event of a failure by Employee to abide by its terms and conditions, nor will money damages adequately compensate for such injury. Therefore, in the event of a breach of this Agreement by Employee, Company shall have the right, among other rights, to damages sustained thereby and to seek an injunction or decree of specific performance from a court of competent jurisdiction to restrain or compel Employee to perform as agreed herein. Notwithstanding any termination of this Agreement or Employee's employment, Section 10 shall remain in effect until all obligations and benefits resulting from a termination of Employee's employment during the Employment Term are satisfied. In addition, Sections 11 through 26 shall survive the termination of this Agreement or Employee's employment and shall remain in effect for the periods specified therein or, if no period is specified, until all obligations thereunder have been satisfied. Nothing in this Agreement shall in any way limit or exclude any other right granted by law or equity to Company.

17. Release. Notwithstanding any provision herein to the contrary, Company may require that, prior to payment, distribution or other benefit under this Agreement (other than due to Employee's death), Employee shall have executed a complete release of Company and its affiliates and related parties in such form as attached hereto, and any waiting periods contained in such release shall have expired. With respect to any release required to receive payments, distributions or other benefits owed pursuant to this Agreement, Company must provide Employee with the form of release no later than seven (7) days after the Date of Termination and the release must be signed by Employee and returned to Company, unchanged, effective and irrevocable, no later than sixty (60) days after the Date of Termination.

18. No Mitigation. Company agrees that, if Employee's employment hereunder is terminated during the Employment Term, Employee is not required to seek other employment or to attempt in any way to reduce any amounts payable to Employee by Company hereunder. Further, the amount of any payment or benefit provided for hereunder shall not be reduced by any compensation earned by Employee as the result of employment by another employer, by retirement benefits or otherwise.

19. Entire Agreement and Amendment. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter of this Agreement, except insofar as the equity grant agreements issued to Employee by the Company,

including the restrictive covenants therein, shall continue in full force and effect in accordance with their terms. This Agreement may be amended only by a written document signed by both parties to this Agreement. Notwithstanding the above, nothing herein shall adversely affect the rights and obligations of either party under Employee's separation agreement with the Company relating to her prior separation from the Company on or about September 2, 2020 or under any equity or other agreements referenced in such separation agreement.

20. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. Any litigation pertaining to this Agreement shall be adjudicated in courts located in Duval County, Florida.

21. Successors. This Agreement may not be assigned by Employee. In addition to any obligations imposed by law upon any successor to Company, Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the stock, business and/or assets of Company, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Company would be required to perform it if no such succession had taken place. Failure of Company to obtain such assumption by a successor shall be a material breach of this Agreement. Employee agrees and consents to any such assumption by a successor of Company, as well as any assignment of this Agreement by Company for that purpose. As used in this Agreement, "Company" shall mean Company as herein before defined as well as any such successor that expressly assumes this Agreement or otherwise becomes bound by all of its terms and provisions by operation of law. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted successors or assigns.

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. Severability. If any section, subsection or provision hereof is found for any reason whatsoever to be invalid or inoperative, that section, subsection or provision shall be deemed severable and shall not affect the force and validity of any other provision of this Agreement. If any covenant herein is determined by a court to be overly broad thereby making the covenant unenforceable, the parties agree and it is their desire that such court shall substitute a reasonable judicially enforceable limitation in place of the offensive part of the covenant and that as so modified the covenant shall be as fully enforceable as if set forth herein by the parties themselves in the modified form. The covenants of Employee in this Agreement shall each be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of Employee against Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Company of the covenants in this Agreement.

24. Notices. Any notice, request, or instruction to be given hereunder shall be in writing and shall be deemed given when personally delivered or three (3) days after being sent by United States Certified Mail, postage prepaid, with Return Receipt Requested, to the parties at their respective addresses set forth below:

To Company:

Fidelity National Information Services, Inc.
601 Riverside Avenue
Jacksonville, FL 32204
Attention: Chief Legal Officer

To Employee:

Stephanie Ferris
[at address last provided by Employee in Workday]

25. Waiver of Breach. The waiver by any party of any provisions of this Agreement shall not operate or be construed as a waiver of any prior or subsequent breach by the other party.

26. Tax.

(a) Withholding. Company or an affiliate may deduct from all compensation and benefits payable under this Agreement any taxes or withholdings Company is required to deduct pursuant to state, federal or local laws.

(b) Section 409A. This Agreement and any payment, distribution or other benefit hereunder shall comply with the requirements of Section 409A of the Code, as well as any related regulations or other guidance promulgated by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"), to the extent applicable. Each payment in a series of payments under this Agreement will be deemed a separate payment for purposes of Section 409A. To the extent Employee is a "specified employee" under Section 409A, no payment, distribution or other benefit described in this Agreement constituting a distribution of deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)) to be paid during the six-month period following a separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)) will be made during such six-month period. Instead, any such deferred compensation shall be paid on the first business day following the six-month anniversary of the separation from service or as soon as practicable following Employee's death. In no event may Employee, directly or indirectly, designate the calendar year of a payment. Any provision that would cause this Agreement or a payment, distribution or other benefit hereunder to fail to satisfy the requirements of Section 409A shall have no force or effect and, to the extent an amendment would be effective for purposes of Section 409A, the parties agree that this Agreement shall be amended to comply with Section 409A. Such amendment shall be retroactive to the extent permitted by Section 409A. For purposes of this Agreement, Employee shall not be deemed to have terminated employment unless and until a separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)) has occurred. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement shall be for expenses incurred during the time period specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made not later than the last day of the Employee's taxable year following the taxable year in which such expense was incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) Excise Taxes. If any payments or benefits paid or provided or to be paid or provided to Employee or for Employee's benefit pursuant to the terms of this Agreement or otherwise in connection with, or arising out of, employment with Company or its subsidiaries or the termination thereof (a "Payment" and, collectively, the "Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then Employee may elect for such Payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Code (the "Scaled Back Amount").Any such election must be in writing and delivered to Company within thirty (30) days after the Date of Termination. If Employee does not elect to have Payments reduced to the Scaled Back Amount, Employee shall be responsible for payment of any Excise Tax resulting from the Payments and Employee shall not be entitled to a gross-up payment under this Agreement or any other for such Excise Tax. If the Payments are to be reduced, the reduction shall be implemented in the following order of priority shall be followed in a manner that complies with Section 409A: (i) first from cash compensation, (ii) next from equity compensation that is not subject to 409A, followed by equity compensation that is subject to Section 409A, then (iii) pro-rated among all remaining payments and benefits. To the extent there is a question as to which Payments within any of the foregoing categories are to be reduced first, the Payments that will produce the greatest present value reduction in the Payments with the least reduction in economic value provided to Employee shall be reduced first.

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

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the date first set forth above.

FIDELITY NATIONAL INFORMATION SERVICES, INC.

By: ______________________

Its: Corporate Executive Vice President & Chief Legal Officer

STEPHANIE FERRIS

____

[*Ferris Employment Agreement Signature Page*]

Exhibit "A"

Executive Relocation Offerings for Stephanie Ferris

Item	**Benefit Details**
Expense Reimbursement	One year time limit on benefits. Submission of receipts for expenses (other than where no receipt is available, and other proof of expense is acceptable) must be turned-in within 90 days of occurrence.
Miscellaneous Allowance	$30,000 for incidental expenses, such as hook-up or cancellation fees, cleaning fees, up to 3 househunting trips, etc. This allowance is taxable and not grossed-up.
Shipment of Household Goods and Automobiles	Insure, pack, load, ship, and unpack household goods and up to two automobiles.
Storage of Household Goods	Up to 30 days.
Temporary Living	$20,000 to cover reasonable rent and utilities (and/or hotels not for househunting trips) for up to 180 days
New Home Purchase Assistance	Customary closing expenses will be reimbursed with no tax assistance. These expenses do not include escrowed amounts due for property tax and insurance, discount points or loan origination fees.
Relocation Repayment	If on or prior to December 31, 2022, Employee either voluntarily terminates her employment (other than for Good Reason as defined in Employee's Employment Agreement) or is, terminated for Cause (as defined in Employee's Employment Agreement), she shall repay 100% of all payments, allowances and reimbursements made under this Exhibit A. After the first anniversary of Employee's arrival at the new location, the repayment obligation will decline by 25% at the end of each subsequent quarter, reaching 0% on January 1, 2024.
Code Section 409A Compliance	All reimbursements and in-kind benefits provided under this policy shall be made or provided in accordance with the requirements of Internal Revenue Code Section 409A, including, without limitation, that (i) in no event shall reimbursements be made under this policy later than the end of the calendar year next following the calendar year in which the applicable fees and expenses were incurred, provided, that the

	employee shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred; (ii) the amount of in-kind benefits paid or provided under this policy in any given calendar year shall not affect the in- kind benefits paid or provided under this policy in any other calendar year; (iii) the employee's right to receive such reimbursements and in-kind benefits may not be liquidated or exchanged for any other benefit; and (iv) in no event shall the obligations to make reimbursements or to provide in-kind benefits under this policy apply later than the employee's remaining lifetime.

Exhibit 31.1

CERTIFICATIONS

I, Gary A Norcross, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fidelity National Information Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	November 4, 2021	By:	/s/ GARY A. NORCROSS
			Gary A. Norcross
			President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, James W. Woodall, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fidelity National Information Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	November 4, 2021	By:	/s/ JAMES W. WOODALL
			James W. Woodall
			Corporate Executive Vice President and Chief Financial Officer
			(Principal Financial Officer)

Exhibit 32.1

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

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

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

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

Date:	November 4, 2021	By:	/s/ GARY A. NORCROSS
			Gary A. Norcross
			President and Chief Executive Officer

Exhibit 32.2

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

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

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

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

Date:	November 4, 2021	By:	/s/ JAMES W. WOODALL
			James W. Woodall
			Corporate Executive Vice President and Chief Financial Officer
			(Principal Financial Officer)