

TSYS
Financial Highlights
(unaudited)
(in thousands, except per share data)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Total revenues	\$ 1,015,371	1,247,576	(18.6) %	\$ 3,010,121	3,654,676	(17.6) %
Cost of services	624,363	898,471	(30.5)	1,855,546	2,638,214	(29.7)
Selling, general and administrative expenses	175,025	149,413	17.1	541,623	456,339	18.7
Total expenses	<u>799,388</u>	<u>1,047,884</u>	(23.7)	<u>2,397,169</u>	<u>3,094,553</u>	(22.5)
Operating income	215,983	199,692	8.2	612,952	560,123	9.4
Nonoperating expenses	<u>(41,294)</u>	<u>(28,835)</u>	(43.2)	<u>(120,106)</u>	<u>(88,780)</u>	(35.3)
Income before income taxes and equity in income of equity investments	174,689	170,857	2.2	492,846	471,343	4.6
Income tax expense	31,112	54,628	(43.0)	86,662	153,917	(43.7)
Income before equity in income of equity investments	<u>143,577</u>	<u>116,229</u>	23.5	<u>406,184</u>	<u>317,426</u>	28.0
Equity in income of equity investments, net of tax	<u>12,383</u>	<u>8,497</u>	45.7	<u>35,313</u>	<u>30,919</u>	14.2
Net income	155,960	124,726	25.0	441,497	348,345	26.7
Net income attributable to noncontrolling interests	-	(1,631)	100.0	(1,261)	(4,368)	71.1
Net income attributable to TSYS common shareholders	<u>\$ 155,960</u>	<u>123,095</u>	26.7 %	<u>\$ 440,236</u>	<u>343,977</u>	28.0 %
Earnings per share (EPS):						
Basic EPS	<u>\$ 0.85</u>	<u>0.67</u>	28.0 %	<u>\$ 2.42</u>	<u>1.87</u>	29.4 %
Diluted EPS	<u>\$ 0.85</u>	<u>0.66</u>	28.0 %	<u>\$ 2.40</u>	<u>1.85</u>	29.3 %
Weighted average shares outstanding: (includes participating securities)						
Basic	<u>182,428</u>	<u>184,272</u>		<u>182,140</u>	<u>184,107</u>	
Diluted	<u>183,846</u>	<u>185,809</u>		<u>183,601</u>	<u>185,472</u>	
Dividends declared per share	<u>\$ 0.13</u>	<u>0.13</u>	-	<u>\$ 0.39</u>	<u>0.33</u>	18.2 %
<u>Non-GAAP measures:*</u>						
Net revenue	<u>\$ 964,594</u>	<u>852,759</u>	13.1 %	<u>\$ 2,856,639</u>	<u>2,529,719</u>	12.9 %
Adjusted EBITDA	<u>\$ 348,488</u>	<u>309,461</u>	12.6 %	<u>\$ 1,024,431</u>	<u>904,396</u>	13.3 %
Adjusted earnings	<u>\$ 212,412</u>	<u>162,667</u>	30.6 %	<u>\$ 623,795</u>	<u>473,148</u>	31.8 %
Adjusted diluted EPS	<u>\$ 1.16</u>	<u>0.88</u>	32.0 %	<u>\$ 3.40</u>	<u>2.55</u>	33.2 %

* See reconciliation of non-GAAP measures.

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TSYS
Segment Breakdown
(unaudited)
(in thousands)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2018	2017	Change		2018	2017	Change	
			\$	%			\$	%
Adjusted operating income by segment:								
Issuer Solutions (a)	\$ 154,107	147,758	6,349	4.3 %	\$ 456,588	428,909	27,679	6.5 %
Merchant Solutions (b)	125,153	103,275	21,878	21.2	359,983	296,551	63,432	21.4
Consumer Solutions (c)	49,503	48,560	943	1.9	149,089	143,251	5,838	4.1
Corporate admin and other	(39,911)	(39,560)	(351)	(0.9)	(117,477)	(111,170)	(6,307)	(5.7)
Adjusted segment operating income (d)	288,852	260,033	28,819	11.1	848,183	757,541	90,642	12.0
Less:								
Share-based compensation	12,392	8,407	3,985	47.4	32,916	28,462	4,454	15.6
Cayan and TransFirst M&A and integration expenses	2,887	1,052	1,835	nm	19,836	10,086	9,750	96.7
Litigation, claims, judgments or settlements	-	26	(26)	(100.0)	-	1,904	(1,904)	(100.0)
Acquisition intangible amortization	57,590	50,856	6,734	13.2	182,479	156,966	25,513	16.3
Operating income	215,983	199,692	16,291	8.2	612,952	560,123	52,829	9.4
Nonoperating expenses	(41,294)	(28,835)	(12,459)	(43.2)	(120,106)	(88,780)	(31,326)	(35.3)
Income before income taxes and equity in income of equity investments	\$ 174,689	170,857	3,832	2.2 %	\$ 492,846	471,343	21,503	4.6 %
Net revenue by segment:								
Issuer Solutions (e)	\$ 434,332	401,074	33,258	8.3 %	\$ 1,278,921	1,181,090	97,831	8.3 %
Merchant Solutions (f)	346,309	281,819	64,490	22.9	1,010,101	820,968	189,133	23.0
Consumer Solutions (g)	195,810	179,918	15,892	8.8	606,591	560,448	46,143	8.2
Segment net revenue	976,451	862,811	113,640	13.2	2,895,613	2,562,506	333,107	13.0
Less: Intersegment revenues	11,857	10,052	1,805	18.0	38,974	32,787	6,187	18.9
Net revenue (h)	964,594	852,759	111,835	13.1	2,856,639	2,529,719	326,920	12.9
Add: reimbursable items, interchange and payment network fees	50,777	394,817	(344,040)	(87.1)	153,482	1,124,957	(971,475)	(86.4)
Total revenues	\$ 1,015,371	1,247,576	(232,205)	(18.6) %	\$ 3,010,121	3,654,676	(644,555)	(17.6) %
Adjusted segment operating margin on segment net revenue:								
Issuer Solutions (a)/(e)	35.5%	36.8%			35.7%	36.3%		
Merchant Solutions (b)/(f)	36.1%	36.6%			35.6%	36.1%		
Consumer Solutions (c)/(g)	25.3%	27.0%			24.6%	25.6%		
Adjusted segment operating margin on net revenue (d)/(h)	29.9%	30.5%			29.7%	29.9%		

nm = not meaningful

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TSYS
Segment Breakdown
(unaudited)
(in thousands)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2018	2017	Change		2018	2017	Change	
			\$	%			\$	%
Depreciation and amortization by segment:								
Issuer Solutions	\$ 30,411	36,699	(6,288)	(17.1) %	\$ 88,382	109,287	(20,905)	(19.1) %
Merchant Solutions	8,014	7,588	426	5.6	23,362	21,990	1,372	6.2
Consumer Solutions	4,303	3,785	518	13.7	12,875	12,057	818	6.8
Depreciation and amortization	42,728	48,072	(5,344)	(11.1)	124,619	143,334	(18,715)	(13.1)
Acquisition intangible amortization	57,590	50,856	6,734	13.2	182,479	156,966	25,513	16.3
Corporate admin and other	1,014	1,356	(342)	(25.2)	2,912	3,521	(609)	(17.3)
Total depreciation and amortization*	\$ 101,332	100,284	1,048	1.0 %	\$ 310,010	303,821	6,189	2.0 %

*Client incentive/contract asset amortization and contract cost asset amortization are no longer included in depreciation and amortization due to the adoption of ASC 606 on January 1, 2018

Segment statistical data:

Issuer Solutions

Total transactions (in millions)	6,154.7	5,494.9	659.8	12.0 %	17,752.7	15,712.1	2,040.6	13.0 %
Total Accounts on file (AOF) (in millions)					823.7	797.3	26.4	3.3 %
Total Traditional AOF (in millions)					594.4	562.1	32.3	5.8 %

Merchant Solutions

Point-of-sale transactions (in millions)	1,533.9	1,260.9	273.0	21.7 %	4,371.9	3,622.2	749.7	20.7 %
Dollar sales volume (in millions)	\$ 40,910.2	31,478.2	9,432.0	30.0 %	\$ 118,539.0	91,726.1	26,812.9	29.2 %
Segment net revenue per transaction	\$ 0.226	0.223	0.002	1.0 %	\$ 0.231	0.227	0.004	1.9 %

Consumer Solutions

Gross dollar volume (in millions)	\$ 8,053.2	7,242.3	810.9	11.2 %	\$ 26,083.7	24,455.1	1,628.6	6.7 %
Direct deposit 90-day active cards (in thousands)					2,503.7	2,315.3	188.4	8.1 %
90-day active cards (in thousands)					4,948.3	4,697.2	251.1	5.3 %
% of 90-day active cards with direct deposit					50.6%	49.3%		

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TSYS
Condensed Balance Sheet
(unaudited)
(in thousands)

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 484,581	450,357
Accounts receivable, net	485,722	412,322
Contract assets	32,604	-
Other current assets	197,010	216,565
Total current assets	<u>1,199,917</u>	<u>1,079,244</u>
Goodwill	4,113,669	3,264,071
Software and other intangible assets, net	1,296,431	1,110,861
Property and equipment, net	372,900	325,218
Contract assets - long-term	49,956	-
Contract cost assets - long-term	147,732	258,665
Other long term assets	292,439	293,630
Total assets	<u>\$ 7,473,044</u>	<u>6,331,689</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 59,770	62,310
Current portion of long-term borrowings, capital leases and license agreements	21,171	565,812
Contract liabilities	50,673	52,913
Other current liabilities	335,557	308,057
Total current liabilities	<u>467,171</u>	<u>989,092</u>
Long-term borrowings, capital leases and license agreements, excluding current portion	3,874,815	2,628,002
Deferred income tax liabilities	394,119	238,317
Contract liabilities - long-term	21,730	48,526
Other long-term liabilities	75,027	71,070
Total liabilities	<u>4,832,862</u>	<u>3,975,007</u>
Redeemable noncontrolling interest	<u>-</u>	<u>115,689</u>
Equity	<u>2,640,182</u>	<u>2,240,993</u>
Total liabilities and equity	<u>\$ 7,473,044</u>	<u>6,331,689</u>

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TSYS
Selected Cash Flow Highlights
(unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 441,497	348,345
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in income of equity investments, net of tax	(35,313)	(30,919)
Dividends received from equity investments	24,921	20,589
Depreciation and amortization	310,010	303,821
Amortization of debt issuance costs	3,668	3,247
Share-based compensation	32,916	28,462
Deferred income tax expense (benefit)	21,173	(46,435)
Other noncash adjustments	63,541	55,764
Changes in operating assets and liabilities	(109,905)	(23,446)
Net cash provided by operating activities	752,508	659,428
Purchases of property and equipment	(77,841)	(42,572)
Additions to licensed computer software from vendors	(32,496)	(23,114)
Additions to internally developed computer software	(29,692)	(22,011)
Additions to contract acquisition costs	-	(21,662)
Cash used in acquisitions, net of cash acquired	(1,051,629)	-
Other investing activities	(5,670)	(1,436)
Net cash used in investing activities	(1,197,328)	(110,795)
Principal payments on long-term borrowings, capital lease obligations and license agreements	(2,807,187)	(415,788)
Proceeds from long-term borrowings	3,477,000	-
Debt issuance costs	(16,004)	-
Purchase of noncontrolling interests	(126,000)	(70,000)
Dividends paid on common stock	(70,897)	(55,151)
Proceeds from exercise of stock options	31,024	15,499
Repurchase of common stock	(443)	(27,895)
Other financing activities	(3,778)	(5,216)
Net cash provided by (used in) financing activities	483,715	(558,551)
Cash, cash equivalents and restricted cash:		
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3,639)	5,589
Net increase in cash, cash equivalents and restricted cash	35,256	(4,329)
Cash, cash equivalents and restricted cash at beginning of period	451,370	425,810
Cash, cash equivalents and restricted cash at end of period	\$ 486,626	421,481
Supplemental		
Capital expenditures	\$ 140,029	109,359
Free cash flow (non-GAAP)*	\$ 612,479	550,069

* See reconciliation of non-GAAP measures.

Certain prior year amounts have changed due to the adoption of ASU 2016-18 "Statement of Cash Flows (Topic 230): Restricted Cash," which requires that a statement of cash flows explain the change in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

TSYS
Supplemental Information
(unaudited)

Other

AOF:

	Total Accounts on File		
	At September 2018	At September 2017	% Change
<i>(in millions)</i>			
Consumer	499.3	474.7	5.2
Commercial	55.6	52.8	5.3
Other	39.5	34.6	14.3
Traditional AOF	594.4	562.1	5.8
Prepaid*/Stored Value	17.1	50.6	(66.3)
Government Services	98.0	92.1	6.4
Commercial Card Single Use	114.2	92.5	23.4
Total AOF	823.7	797.3	3.3

* Prepaid does not include Netspend accounts.

Growth in Accounts on File (in millions):

	September 2017 to September 2018	September 2016 to September 2017
Beginning balance	797.3	738.8
Change in accounts on file due to:		
Internal growth of existing clients	54.1	53.2
New clients	32.3	29.5
Purges/Sales	(39.3)	(23.6)
Deconversions	(20.7)	(0.6)
Ending balance	823.7	797.3

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Reconciliation of GAAP to Non-GAAP Financial Measures

Non-GAAP Measures

The schedules below provide a reconciliation of revenues and operating results on a constant currency basis to reported revenues and operating income. This non-GAAP measure presents third quarter 2018 and year-to-date financial results using the previous year's foreign currency exchange rates. On a constant currency basis, TSYS' total year-to-date revenues for the third quarter of 2018 were lower 18.0% as compared to a reported GAAP decrease of 17.6%.

The schedules below also provide a reconciliation of diluted EPS to adjusted diluted EPS.

The schedules below also provide a reconciliation of net income to adjusted EBITDA.

The schedules below also provide a reconciliation of cash flows from operating activities and capital expenditures to free cash flow.

The schedules below also provide a reconciliation of 2018 revised guidance of total revenues to net revenue and diluted EPS to adjusted diluted EPS.

The tax rate used in the calculation of adjusted diluted EPS for the quarter and year is equal to an estimate of our annual effective tax rate on GAAP income. This effective rate is estimated annually and may be adjusted during the year to take into account events or trends that materially impact the effective tax rate including, but not limited to, significant changes resulting from tax legislation, material changes in the mix of revenues and expenses by entity and other significant events.

TSYS believes that non-GAAP financial measures are important to enable investors to understand and evaluate its ongoing operating results. Accordingly, TSYS includes non-GAAP financial measures when reporting its financial results to shareholders and potential investors in order to provide them with an additional tool to evaluate TSYS' ongoing business operations. TSYS believes that the non-GAAP financial measures are representative of comparative financial performance that reflects the economic substance of TSYS' current and ongoing business operations.

Although non-GAAP financial measures are often used to measure TSYS' operating results and assess its financial performance, they are not necessarily comparable to similarly titled measures of other companies due to potential inconsistencies in the method of calculation.

TSYS believes that its provision of non-GAAP financial measures provides investors with important key financial performance indicators that are utilized by management to assess TSYS' operating results, evaluate the business and make operational decisions on a prospective, going-forward basis. Hence, management provides disclosure of non-GAAP financial measures to give shareholders and potential investors an opportunity to see TSYS as viewed by management, to assess TSYS with some of the same tools that management utilizes internally and to be able to compare such information with prior periods. TSYS believes that inclusion of non-GAAP financial measures provides investors with additional information to help them better understand its financial statements just as management utilizes these non-GAAP financial measures to better understand the business, manage budgets and allocate resources.

Reconciliation of GAAP to Non-GAAP

Constant Currency Comparison (unaudited) (in thousands)						
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Consolidated						
Constant currency (1)	\$ 1,017,279	1,247,576	(18.5) %	\$ 2,995,442	3,654,676	(18.0) %
Foreign currency impact (2)	(1,908)	-		14,679	-	
Total revenues	<u>\$ 1,015,371</u>	<u>1,247,576</u>	(18.6) %	<u>\$ 3,010,121</u>	<u>3,654,676</u>	(17.6) %
Constant currency (1)	\$ 966,416	852,759	13.3 %	\$ 2,842,948	2,529,719	12.4 %
Foreign currency impact (2)	(1,822)	-		13,691	-	
Net revenue	<u>\$ 964,594</u>	<u>852,759</u>	13.1 %	<u>\$ 2,856,639</u>	<u>2,529,719</u>	12.9 %
Constant currency (1)	\$ 215,968	199,692	8.2 %	\$ 607,630	560,123	8.5 %
Foreign currency impact (2)	15	-		5,322	-	
Operating income	<u>\$ 215,983</u>	<u>199,692</u>	8.2 %	<u>\$ 612,952</u>	<u>560,123</u>	9.4 %
Issuer Solutions						
Constant currency (1)	\$ 436,263	401,074	8.8 %	\$ 1,265,346	1,181,090	7.1 %
Foreign currency impact (2)	(1,931)	-		13,575	-	
Segment net revenue	<u>\$ 434,332</u>	<u>401,074</u>	8.3 %	<u>\$ 1,278,921</u>	<u>1,181,090</u>	8.3 %

(1) Reflects current period results on a non-GAAP basis as if foreign currency rates did not change from the comparable prior year period.

(2) Reflects the impact of calculated changes in foreign currency rates from the comparable period.

Net Revenue (unaudited) (in thousands)						
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Total revenues	\$ 1,015,371	1,247,576	(18.6) %	\$ 3,010,121	3,654,676	(17.6) %
Less: reimbursable items, interchange and payment network fees	50,777	394,817	(87.1)	153,482	1,124,957	(86.4)
Net revenue	<u>\$ 964,594</u>	<u>852,759</u>	13.1 %	<u>\$ 2,856,639</u>	<u>2,529,719</u>	12.9 %

Reconciliation of GAAP to Non-GAAP

Adjusted Diluted Earnings per Share
(unaudited)
(in thousands, except per share data)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Net income attributable to						
TSYS common shareholders (GAAP)	\$ 155,960	123,095	26.7 %	\$ 440,236	343,977	28.0 %
Adjust for amounts attributable to TSYS common shareholders:						
Add: Acquisition intangible amortization	\$ 57,555	50,704	13.5	\$ 182,373	156,489	16.5
Add: Share-based compensation	12,391	8,404	47.4	32,913	28,455	15.7
Add: Cayan and TransFirst M&A expenses*	2,887	1,052	nm	19,836	10,025	97.9
Add: Litigation, claims, judgments or settlements**	-	26	(100.0)	-	1,904	(100.0)
Less: Tax impact of adjustments***	(16,381)	(20,614)	20.5	(51,563)	(67,702)	23.8
Adjusted earnings (non-GAAP)	<u>\$ 212,412</u>	<u>162,667</u>	30.6 %	<u>\$ 623,795</u>	<u>473,148</u>	31.8 %
Diluted EPS - Net income attributable to						
TSYS common shareholders						
As reported (GAAP)	<u>\$ 0.85</u>	<u>0.66</u>	28.0 %	<u>\$ 2.40</u>	<u>1.85</u>	29.3 %
Adjusted diluted EPS (non-GAAP)	<u>\$ 1.16</u>	<u>0.88</u>	32.0 %	<u>\$ 3.40</u>	<u>2.55</u>	33.2 %
Weighted average diluted shares outstanding	<u>183,846</u>	<u>185,809</u>		<u>183,601</u>	<u>185,472</u>	

* Costs associated with the Cayan and TransFirst acquisitions and integrations are included in selling, general and administrative expenses and nonoperating expenses.

** Litigation settlement or settlement discussions and related legal expenses.

*** Certain of these merger and acquisition costs are nondeductible for income tax purposes. Income tax impact includes discrete items as a result of the acquisitions.

nm = not meaningful

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Reconciliation of GAAP to Non-GAAP

	Adjusted EBITDA (unaudited) (in thousands)					
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Net income (GAAP) (a)	\$ 155,960	124,726	25.0 %	\$ 441,497	348,345	26.7 %
Adjust for:						
Less: Equity in income of equity investments	(12,383)	(8,497)	(45.7)	(35,313)	(30,919)	(14.2)
Less: Income tax expense	31,112	54,628	(43.0)	86,662	153,917	(43.7)
Add: Interest expense, net	41,093	28,501	44.2	118,865	87,811	35.4
Add: Depreciation and amortization*	101,332	100,284	1.0	310,010	303,821	2.0
Add: Client incentive/contract asset amortization*	7,303	-	na	20,888	-	na
Add: Contract cost asset amortization*	8,592	-	na	27,830	-	na
Less: (Gain)/loss on foreign currency translations	(187)	427	nm	(295)	1,250	nm
Less: Other nonoperating (income)/expenses	388	(93)	nm	1,536	(281)	nm
Add: Share-based compensation	12,391	8,407	47.4	32,915	28,462	15.6
Add: Cayan and TransFirst M&A expenses**	2,887	1,052	nm	19,836	10,086	96.7
Add: Litigation, claims, judgments or settlements	-	26	(100.0)	-	1,904	(100.0)
Adjusted EBITDA (non-GAAP) (b)	\$ 348,488	309,461	12.6 %	\$ 1,024,431	904,396	13.3 %
Total revenues (c)	\$ 1,015,371	1,247,576		\$ 3,010,121	3,654,676	
Net income margin on total revenues (GAAP) (a)/(c)	15.4%	10.0%		14.7%	9.5%	
Net revenue (d)	\$ 964,594	852,759		\$ 2,856,639	2,529,719	
Adjusted EBITDA margin on net revenue (non-GAAP) (b)/(d)	36.1%	36.3%		35.9%	35.8%	

* Client incentive/contract asset amortization and contract cost asset amortization are no longer included in depreciation and amortization due to the adoption of ASC 606 on January 1, 2018.

** Costs associated with the Cayan and TransFirst acquisitions and integrations are included in selling, general and administrative expenses.

nm = not meaningful

na = not applicable

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Reconciliation of GAAP to Non-GAAP

Free cash flow:	Free Cash Flow (unaudited) (in thousands)	
	Nine Months Ended September 30,	
	2018	2017
Net cash provided by operating activities (GAAP)	\$ 752,508	659,428
Capital expenditures	(140,029)	(109,359)
Free cash flow (non-GAAP)	<u>\$ 612,479</u>	<u>550,069</u>

Revised Guidance Summary
(unaudited)
(in millions, except per share data)

Revenue:	2018 ⁽¹⁾		% Change	
Total revenues (GAAP)	\$ 3,990	to \$ 4,040	(19%)	to (18%)
Less: reimbursable items, interchange and payment network fees	200	to 200		
Net revenue (non-GAAP)	<u>\$ 3,790</u>	to <u>\$ 3,840</u>	11%	to 13%

Earnings per share (EPS):

Diluted EPS (GAAP)	\$ 3.09	to \$ 3.15	(2%)	to 0%
Acquisition intangible amortization, share-based compensation, litigation, claims, judgments or settlements and for Cayan and TransFirst M&A expenses, less the tax impact of adjustments	1.32	to 1.32		
Adjusted diluted EPS attributable to TSYS common shareholders* (non-GAAP)	\$ 4.41	to \$ 4.47	31%	to 33%

* Weighted average diluted shares outstanding 184

(1) The estimated impact of the adoption of ASC 606 on TSYS' revised 2018 outlook is as follows: Total revenues (\$1,700) to (\$1,675), Net revenue (\$69) to (\$62), Diluted EPS and Adjusted diluted EPS of (\$0.04) to (\$0.03). The most significant impact of adopting ASC 606 in 2018 is primarily the result of gross versus net presentation of interchange and payment network fees. In 2018, these fees collected on behalf of the payment networks and card issuers will be presented "net" of the amounts paid to them, as opposed to the "gross" presentation for certain of these fees in 2017.

TSYS
Impact of New Revenue Guidance on Financial Statement Line Items
(unaudited)
(in thousands, except per share data)

	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018		
	As Reported	Balances Without Adoption of Topic 606	Effect of Change Higher/(Lower)	As Reported	Balances Without Adoption of Topic 606	Effect of Change Higher/(Lower)
Total revenues	\$ 1,015,371	1,459,182	(443,811)	3,010,121	4,252,569	(1,242,448)
Total expenses	799,388	1,239,228	(439,840)	2,397,169	3,631,739	(1,234,570)
Operating income	\$ 215,983	219,954	(3,971)	612,952	620,830	(7,878)
Income taxes	\$ 31,112	32,033	(921)	86,662	88,461	(1,799)
Net income	\$ 155,960	159,010	(3,050)	441,497	447,575	(6,078)
Net income attributable to TSYS common shareholders	\$ 155,960	159,010	(3,050)	440,236	446,314	(6,078)
Earnings per share (EPS):						
Basic EPS*	\$ 0.85	0.87	(0.02)	2.42	2.45	(0.03)
Diluted EPS*	\$ 0.85	0.86	(0.02)	2.40	2.43	(0.03)

* EPS amounts may not total due to rounding.

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