

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Total revenues	\$ 1,007,580	1,222,375	(17.6) %	\$ 1,994,750	2,407,100	(17.1) %
Cost of services	617,818	877,887	(29.6)	1,231,183	1,739,744	(29.2)
Selling, general and administrative expenses	181,064	151,240	19.7	366,598	306,925	19.4
Total expenses	<u>798,882</u>	<u>1,029,127</u>	(22.4)	<u>1,597,781</u>	<u>2,046,669</u>	(21.9)
Operating income	208,698	193,248	8.0	396,969	360,431	10.1
Nonoperating expenses	<u>(41,170)</u>	<u>(30,042)</u>	(37.0)	<u>(78,812)</u>	<u>(59,945)</u>	(31.5)
Income before income taxes and equity in income of equity investments	167,528	163,206	2.6	318,157	300,486	5.9
Income tax expense	37,415	56,207	(33.4)	55,549	99,289	(44.1)
Income before equity in income of equity investments	<u>130,113</u>	<u>106,999</u>	21.6	<u>262,608</u>	<u>201,197</u>	30.5
Equity in income of equity investments, net of tax	<u>12,322</u>	<u>9,513</u>	29.5	<u>22,929</u>	<u>22,422</u>	2.3
Net income	142,435	116,512	22.2	285,537	223,619	27.7
Net income attributable to noncontrolling interests	-	(1,498)	100.0	(1,261)	(2,737)	53.9
Net income attributable to TSYS common shareholders	<u>\$ 142,435</u>	<u>115,014</u>	23.8 %	<u>\$ 284,276</u>	<u>220,882</u>	28.7 %
Earnings per share (EPS):						
Basic EPS	<u>\$ 0.78</u>	<u>0.62</u>	25.1 %	<u>\$ 1.56</u>	<u>1.20</u>	30.1 %
Diluted EPS	<u>\$ 0.78</u>	<u>0.62</u>	25.0 %	<u>\$ 1.55</u>	<u>1.19</u>	29.9 %
Weighted average shares outstanding: (includes participating securities)						
Basic	<u>182,355</u>	<u>184,153</u>		<u>181,991</u>	<u>184,019</u>	
Diluted	<u>183,575</u>	<u>185,286</u>		<u>183,456</u>	<u>185,122</u>	
Dividends declared per share	<u>\$ 0.13</u>	<u>0.10</u>	30.0 %	<u>\$ 0.26</u>	<u>0.20</u>	30.0 %
<u>Non-GAAP measures:*</u>						
Net revenue	<u>\$ 956,548</u>	<u>844,068</u>	13.3 %	<u>\$ 1,892,045</u>	<u>1,676,960</u>	12.8 %
Adjusted EBITDA	<u>\$ 345,021</u>	<u>307,698</u>	12.1 %	<u>\$ 675,943</u>	<u>594,935</u>	13.6 %
Adjusted earnings	<u>\$ 203,796</u>	<u>158,215</u>	28.8 %	<u>\$ 411,383</u>	<u>310,480</u>	32.5 %
Adjusted diluted EPS	<u>\$ 1.11</u>	<u>0.85</u>	30.0 %	<u>\$ 2.24</u>	<u>1.68</u>	33.7 %

* See reconciliation of non-GAAP measures.

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TSYS
Segment Breakdown
(unaudited)
(in thousands)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	Change		2018	2017	Change	
			\$	%			\$	%
Adjusted operating income by segment:								
Issuer Solutions (a)	\$ 151,490	147,277	4,213	2.9 %	\$ 302,481	281,150	21,331	7.6 %
Merchant Solutions (b)	124,817	101,996	22,821	22.4	234,831	193,275	41,556	21.5
Consumer Solutions (c)	50,232	46,044	4,188	9.1	99,585	94,692	4,893	5.2
Corporate admin and other	(39,166)	(36,036)	(3,130)	(8.7)	(77,567)	(71,608)	(5,959)	(8.3)
Adjusted segment operating income (d)	287,373	259,281	28,092	10.8	559,330	497,509	61,821	12.4
Less:								
Share-based compensation	14,229	11,008	3,221	29.3	20,524	20,055	469	2.3
Cayan and TransFirst M&A and integration expenses	2,581	4,165	(1,584)	(38.0)	16,949	9,034	7,915	87.6
Litigation, claims, judgments or settlements	-	(83)	83	100.0	-	1,878	(1,878)	(100.0)
Acquisition intangible amortization	61,865	50,943	10,922	21.4	124,888	106,111	18,777	17.7
Operating income	208,698	193,248	15,450	8.0	396,969	360,431	36,538	10.1
Nonoperating expenses	(41,170)	(30,042)	(11,128)	(37.0)	(78,812)	(59,945)	(18,867)	(31.5)
Income before income taxes and equity in income of equity investments	\$ 167,528	163,206	4,322	2.6 %	\$ 318,157	300,486	17,671	5.9 %
Net revenue by segment:								
Issuer Solutions (e)	\$ 421,015	392,760	28,255	7.2 %	\$ 844,589	780,015	64,574	8.3 %
Merchant Solutions (f)	346,389	278,588	67,801	24.3	663,792	539,149	124,643	23.1
Consumer Solutions (g)	200,293	183,065	17,228	9.4	410,781	380,530	30,251	7.9
Segment net revenue	967,697	854,413	113,284	13.3	1,919,162	1,699,694	219,468	12.9
Less: Intersegment revenues	11,149	10,345	804	7.8	27,117	22,734	4,383	19.3
Net revenue (h)	956,548	844,068	112,480	13.3	1,892,045	1,676,960	215,085	12.8
Add: reimbursable items, interchange and payment network fees	51,032	378,307	(327,275)	(86.5)	102,705	730,140	(627,435)	(85.9)
Total revenues	\$ 1,007,580	1,222,375	(214,795)	(17.6) %	\$ 1,994,750	2,407,100	(412,350)	(17.1) %
Adjusted segment operating margin on segment net revenue:								
Issuer Solutions (a)/(e)	36.0%	37.5%			35.8%	36.0%		
Merchant Solutions (b)/(f)	36.0%	36.6%			35.4%	35.9%		
Consumer Solutions (c)/(g)	25.1%	25.2%			24.2%	24.9%		
Adjusted segment operating margin on net revenue (d)/(h)	30.0%	30.7%			29.6%	29.7%		

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TSYS
Segment Breakdown
(unaudited)
(in thousands)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	Change		2018	2017	Change	
			\$	%			\$	%
Depreciation and amortization by segment:								
Issuer Solutions	\$ 29,640	35,735	(6,095)	(17.1) %	\$ 57,971	72,588	(14,617)	(20.1) %
Merchant Solutions	7,523	7,380	143	1.9	15,348	14,402	946	6.6
Consumer Solutions	4,313	4,180	133	3.2	8,573	8,272	301	3.6
Depreciation and amortization	41,476	47,295	(5,819)	(12.3)	81,892	95,262	(13,370)	(14.0)
Acquisition intangible amortization	61,865	50,943	10,922	21.4	124,888	106,111	18,777	17.7
Corporate admin and other	949	1,121	(172)	(15.3)	1,899	2,164	(265)	(12.2)
Total depreciation and amortization*	\$ 104,290	99,359	4,931	5.0 %	\$ 208,679	203,537	5,142	2.5 %

*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)	6,050.0	5,340.6	709.4	13.3 %	11,598.0	10,217.2	1,380.8	13.5 %
Total Accounts on file (AOF) (in millions)					829.3	773.6	55.7	7.2 %
Total Traditional AOF (in millions)					588.9	542.0	46.9	8.6 %

Merchant Solutions

Point-of-sale transactions (in millions)	1,498.5	1,233.5	265.0	21.5 %	2,838.0	2,361.3	476.7	20.2 %
Dollar sales volume (in millions)	\$ 40,362.1	31,127.5	9,234.6	29.7 %	\$ 77,628.8	60,247.9	17,380.9	28.8 %
Segment net revenue per transaction	\$ 0.231	0.226	0.005	2.4 %	\$ 0.234	0.228	0.006	2.4 %

Consumer Solutions

Gross dollar volume (in millions)	\$ 8,336.2	7,605.5	730.7	9.6 %	\$ 18,030.5	17,212.8	817.7	4.8 %
Direct deposit 90-day active cards (in thousands)					2,518.7	2,416.7	102.0	4.2 %
90-day active cards (in thousands)					5,078.5	4,964.9	113.6	2.3 %
% of 90-day active cards with direct deposit					49.6%	48.7%		

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TSYS
Condensed Balance Sheet
(unaudited)
(in thousands)

	June 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 460,019	450,357
Accounts receivable, net	440,875	412,322
Contract assets	34,083	-
Other current assets	202,045	216,565
Total current assets	<u>1,137,022</u>	<u>1,079,244</u>
Goodwill	4,088,579	3,264,071
Software and other intangible assets, net	1,357,099	1,110,861
Property and equipment, net	363,336	325,218
Contract assets - long-term	54,018	-
Contract cost assets - long-term	147,512	258,665
Other long term assets	318,924	293,630
Total assets	<u>\$ 7,466,490</u>	<u>6,331,689</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 63,282	62,310
Current portion of long-term borrowings, capital leases and license agreements	21,349	565,812
Contract liabilities	54,701	52,913
Other current liabilities	306,997	308,057
Total current liabilities	<u>446,329</u>	<u>989,092</u>
Long-term borrowings, capital leases and license agreements, excluding current portion	4,053,187	2,628,002
Deferred income tax liabilities	370,587	238,317
Contract liabilities - long-term	19,111	48,526
Other long-term liabilities	75,580	71,070
Total liabilities	<u>4,964,794</u>	<u>3,975,007</u>
Redeemable noncontrolling interest	<u>-</u>	<u>115,689</u>
Equity	<u>2,501,696</u>	<u>2,240,993</u>
Total liabilities and equity	<u>\$ 7,466,490</u>	<u>6,331,689</u>

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

	Six Months Ended June 30,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 285,537	223,619
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in income of equity investments, net of tax	(22,929)	(22,422)
Dividends received from equity investments	892	943
Depreciation and amortization	208,679	203,537
Amortization of debt issuance costs	2,362	2,163
Share-based compensation	20,524	20,055
Deferred income tax expense (benefit)	18,657	(18,191)
Other noncash adjustments	43,187	38,247
Changes in operating assets and liabilities	(86,316)	(46,973)
Net cash provided by operating activities	<u>470,593</u>	<u>400,978</u>
Purchases of property and equipment	(48,608)	(26,739)
Additions to licensed computer software from vendors	(19,216)	(10,568)
Additions to internally developed computer software	(19,934)	(13,581)
Additions to contract acquisition costs	-	(14,655)
Cash used in acquisitions, net of cash acquired	(1,051,629)	-
Other investing activities	(4,119)	(759)
Net cash used in investing activities	<u>(1,143,506)</u>	<u>(66,302)</u>
Principal payments on long-term borrowings, capital lease obligations and license agreements	(2,626,534)	(234,093)
Proceeds from long-term borrowings	3,477,000	-
Debt issuance costs	(15,979)	-
Purchase of noncontrolling interests	(126,000)	(70,000)
Dividends paid on common stock	(47,190)	(36,734)
Proceeds from exercise of stock options	29,289	8,987
Repurchase of common stock	(82)	(24)
Other financing activities	(3,778)	(3,885)
Net cash provided by (used in) financing activities	<u>686,726</u>	<u>(335,749)</u>
Cash, cash equivalents and restricted cash:		
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4,143)	3,494
Net increase in cash, cash equivalents and restricted cash	9,670	2,421
Cash, cash equivalents and restricted cash at beginning of period	451,370	425,810
Cash, cash equivalents and restricted cash at end of period	<u>\$ 461,040</u>	<u>428,231</u>
Supplemental		
Capital expenditures	\$ 87,758	65,543
Free cash flow (non-GAAP)*	<u>\$ 382,835</u>	<u>335,435</u>

* 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 June 2018	At June 2017	% Change
<i>(in millions)</i>			
Consumer	493.8	457.0	8.1
Commercial	56.8	51.5	10.1
Other	38.3	33.5	14.3
Traditional AOF	588.9	542.0	8.6
Prepaid*/Stored Value	37.0	50.6	(26.9)
Government Services	97.4	91.3	6.7
Commercial Card Single Use	106.0	89.7	18.1
Total AOF	829.3	773.6	7.2

* Prepaid does not include Netspend accounts.

Growth in Accounts on File (in millions) :

	June 2017 to June 2018	June 2016 to June 2017
Beginning balance	773.6	742.1
Change in accounts on file due to:		
Internal growth of existing clients	53.7	53.1
New clients	37.3	23.7
Purges/Sales	(34.4)	(23.3)
Deconversions	(0.9)	(22.0)
Ending balance	829.3	773.6

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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 second 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 second quarter of 2018 were lower 17.8% as compared to a reported GAAP decrease of 17.1%.

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 June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Consolidated						
Constant currency (1)	\$ 1,002,182	1,222,375	(18.0) %	\$ 1,978,164	2,407,100	(17.8) %
Foreign currency impact (2)	5,398	-		16,586	-	
Total revenues	<u>\$ 1,007,580</u>	<u>1,222,375</u>	(17.6) %	<u>\$ 1,994,750</u>	<u>2,407,100</u>	(17.1) %
Constant currency (1)	\$ 951,502	844,068	12.7 %	\$ 1,876,533	1,676,960	11.9 %
Foreign currency impact (2)	5,046	-		15,512	-	
Net revenue	<u>\$ 956,548</u>	<u>844,068</u>	13.3 %	<u>\$ 1,892,045</u>	<u>1,676,960</u>	12.8 %
Constant currency (1)	\$ 206,777	193,248	7.0 %	\$ 391,662	360,431	8.7 %
Foreign currency impact (2)	1,921	-		5,307	-	
Operating income	<u>\$ 208,698</u>	<u>193,248</u>	8.0 %	<u>\$ 396,969</u>	<u>360,431</u>	10.1 %
Issuer Solutions						
Constant currency (1)	\$ 416,013	392,760	5.9 %	\$ 829,083	780,015	6.3 %
Foreign currency impact (2)	5,002	-		15,506	-	
Segment net revenue	<u>\$ 421,015</u>	<u>392,760</u>	7.2 %	<u>\$ 844,589</u>	<u>780,015</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 June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Total revenues	\$ 1,007,580	1,222,375	(17.6) %	\$ 1,994,750	2,407,100	(17.1) %
Less: reimbursable items, interchange and payment network fees	51,032	378,307	(86.5)	102,705	730,140	(85.9)
Net revenue	<u>\$ 956,548</u>	<u>844,068</u>	13.3 %	<u>\$ 1,892,045</u>	<u>1,676,960</u>	12.8 %

Reconciliation of GAAP to Non-GAAP

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Net income attributable to						
TSYS common shareholders (GAAP)	\$ 142,435	115,014	23.8 %	\$ 284,276	220,882	28.7 %
Adjust for amounts attributable to TSYS common shareholders:						
Add: Acquisition intangible amortization	\$ 61,830	50,783	21.8	\$ 124,818	105,785	18.0
Add: Share-based compensation	14,228	11,009	29.2	20,522	20,051	2.3
Add: Cayan and TransFirst M&A expenses*	2,581	4,149	(37.8)	16,949	8,973	88.9
Add: Litigation, claims, judgments or settlements**	-	(83)	100.0	-	1,878	(100.0)
Less: Tax impact of adjustments***	(17,278)	(22,657)	23.7	(35,182)	(47,089)	25.3
Adjusted earnings (non-GAAP)	<u>\$ 203,796</u>	<u>158,215</u>	28.8 %	<u>\$ 411,383</u>	<u>310,480</u>	32.5 %
Diluted EPS - Net income attributable to						
TSYS common shareholders						
As reported (GAAP)	<u>\$ 0.78</u>	<u>0.62</u>	25.0 %	<u>\$ 1.55</u>	<u>1.19</u>	29.9 %
Adjusted diluted EPS (non-GAAP)	<u>\$ 1.11</u>	<u>0.85</u>	30.0 %	<u>\$ 2.24</u>	<u>1.68</u>	33.7 %
Weighted average diluted shares outstanding	<u>183,575</u>	<u>185,286</u>		<u>183,456</u>	<u>185,122</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.

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Reconciliation of GAAP to Non-GAAP

	Adjusted EBITDA (unaudited) (in thousands)					
	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Net income (GAAP) (a)	\$ 142,435	116,512	22.2 %	\$ 285,537	223,619	27.7 %
Adjust for:						
Less: Equity in income of equity investments	(12,322)	(9,513)	(29.5)	(22,929)	(22,422)	(2.3)
Less: Income tax expense	37,415	56,207	(33.4)	55,549	99,289	(44.1)
Add: Interest expense, net	41,119	29,537	39.2	77,772	59,310	31.1
Add: Depreciation and amortization*	104,290	99,359	5.0	208,679	203,537	2.5
Add: Client incentive/contract asset amortization*	6,712	-	na	13,584	-	na
Add: Contract cost asset amortization*	8,511	-	na	19,238	-	na
Less: (Gain)/loss on foreign currency translations	(535)	513	nm	(107)	824	nm
Less: Other nonoperating (income)/expenses	586	(8)	nm	1,147	(189)	nm
Add: Share-based compensation	14,229	11,008	29.3	20,524	20,055	2.3
Add: Cayan and TransFirst M&A expenses**	2,581	4,166	(38.0)	16,949	9,034	87.6
Add: Litigation, claims, judgments or settlements	-	(83)	100.0	-	1,878	(100.0)
Adjusted EBITDA (non-GAAP) (b)	\$ 345,021	307,698	12.1 %	\$ 675,943	594,935	13.6 %
Total revenues (c)	\$ 1,007,580	1,222,375		\$ 1,994,750	2,407,100	
Net income margin on total revenues (GAAP) (a)/(c)	14.1%	9.5%		14.3%	9.3%	
Net revenue (d)	\$ 956,548	844,068		\$ 1,892,045	1,676,960	
Adjusted EBITDA margin on net revenue (non-GAAP) (b)/(d)	36.1%	36.5%		35.7%	35.5%	

* 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)	
	Six Months Ended June 30,	
	2018	2017
Net cash provided by operating activities (GAAP)	\$ 470,593	400,978
Capital expenditures	(87,758)	(65,543)
Free cash flow (non-GAAP)	<u>\$ 382,835</u>	<u>335,435</u>

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

Revenue:	2018 ⁽¹⁾		% Change	
Total revenues (GAAP)	\$ 3,940	to \$ 4,040	(20%)	to (18%)
Less: reimbursable items, interchange and payment network fees	200	to 200		
Net revenue (non-GAAP)	<u>\$ 3,740</u>	to <u>\$ 3,840</u>	10%	to 13%

Earnings per share (EPS):

Diluted EPS (GAAP)	\$ 3.02	to \$ 3.12	(4%)	to (1%)
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	1.28	to 1.28		
Adjusted diluted EPS attributable to TSYS common shareholders* (non-GAAP)	\$ 4.30	to \$ 4.40	28%	to 31%

* Weighted average diluted shares outstanding 184

(1) The estimated impact of the adoption of ASC 606 on TSYS' 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 June 30, 2018			Six Months Ended June 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	\$ 1,007,580	1,430,885	(423,305)	1,994,750	2,793,387	(798,637)
Total expenses	798,882	1,218,770	(419,888)	1,597,781	2,392,511	(794,730)
Operating income	\$ 208,698	212,115	(3,417)	396,969	400,876	(3,907)
Income taxes	\$ 37,415	38,182	(767)	55,549	56,428	(879)
Net income	\$ 142,435	145,085	(2,650)	285,537	288,564	(3,027)
Net income attributable to TSYS common shareholders	\$ 142,435	145,085	(2,650)	284,276	287,303	(3,027)
Earnings per share (EPS):						
Basic EPS*	\$ 0.78	0.80	(0.01)	1.56	1.58	(0.02)
Diluted EPS*	\$ 0.78	0.79	(0.01)	1.55	1.57	(0.02)

* EPS amounts may not total due to rounding.

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