

2016 FOURTH QUARTER AND FULL YEAR

January 24, 2017



TSYS® PAYMENT PROVIDER SOLUTIONS

BUSINESS SOLUTIONS

CONSUMER SOLUTIONS

2016 Fourth Quarter and Full Year FORWARD-LOOKING STATEMENTS

This slide presentation and comments made by management contain forward-looking statements including, among others, statements regarding the expected future operating results of TSYS. These statements are based on management's current expectations and assumptions and are subject to risks, uncertainties and changes in circumstances. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "anticipate," "intend," "plan," "potential," "estimate" or similar expressions. Actual results may differ materially from those set forth in the forward-looking statements due to a variety of factors. More information about these risks, uncertainties and factors may be found in TSYS' filings with the Securities and Exchange Commission, including its 2015 Annual Report on Form 10-K. TSYS disclaims any obligation to update any forward-looking statements as a result of new information, future developments or otherwise except as required by law.

USE OF NON-GAAP FINANCIAL MEASURES

This slide presentation contains certain non-GAAP financial measures determined by methods other than in accordance with generally accepted accounting principles. Such non-GAAP financial measures include the following: net revenue, operating margin on net revenue, revenues measured on a constant currency basis, free cash flow, EBITDA, adjusted EBITDA, adjusted earnings per share, adjusted segment operating income and adjusted segment operating margin. The most comparable GAAP measures to these measures include the following: revenues, operating margin, revenues, cash flows from operating activities, net income, net income, earnings per share, operating income and operating margin, respectively. Management uses these non-GAAP financial measures to assess the performance of TSYS' core business. TSYS believes that these non-GAAP financial measures provide meaningful additional information about TSYS to assist investors in evaluating TSYS' operating results. These non-GAAP financial measures should not be considered as a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. The computations of the non-GAAP financial measures used in this slide presentation are set forth in the Appendix to this slide presentation.



M. Troy Woods

Chairman and Chief Executive Officer





Paul Todd

Chief Financial Officer



2016 Fourth Quarter and Full Year

CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS

(in thousands, except per share data)

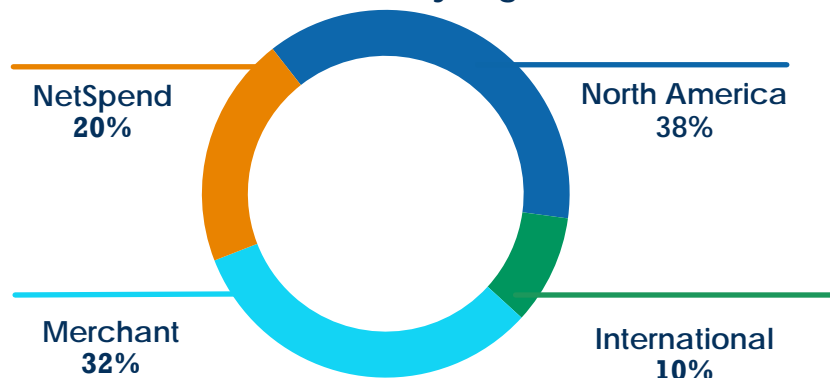
QTD 2016	QTD 2015	Percent Change		YTD 2016	YTD 2015	Percent Change
\$1,132,224	\$716,843	57.9%	Total Revenues	\$4,170,077	\$2,779,541	50.0%
785,709	645,095	21.8	Net Revenue ⁽¹⁾	3,041,876	2,499,349	21.7
266,547	195,031	36.7	Adjusted EBITDA ⁽¹⁾	1,040,551	833,920	24.8
\$0.71	\$0.57	24.5	Adjusted EPS ⁽¹⁾ from Continuing Operations	\$2.81	\$2.46	14.5

(1) Non-GAAP financial measures; See Appendix

2016 Fourth Quarter and Full Year CONSOLIDATED HIGHLIGHTS

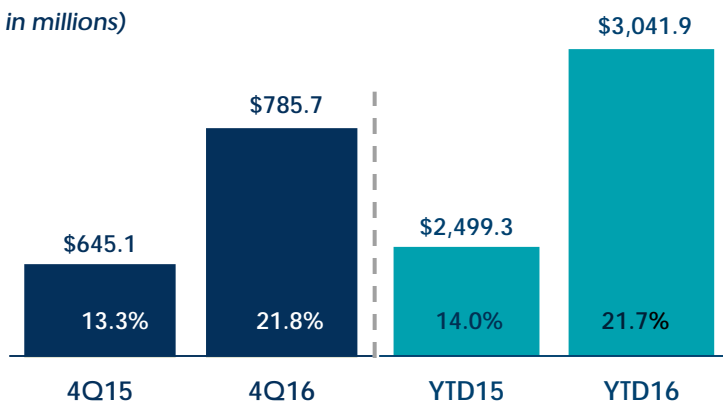
- Net revenue increased 21.8%
- All segments met or exceeded goals
- Record traditional AOF

4th Quarter
Net Revenue by Segment⁽¹⁾



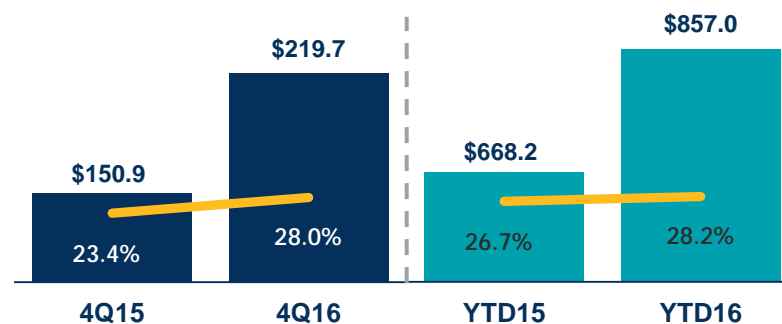
Consolidated Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



Adjusted Operating Income⁽¹⁾
Operating Margin⁽²⁾

(\$ in millions)

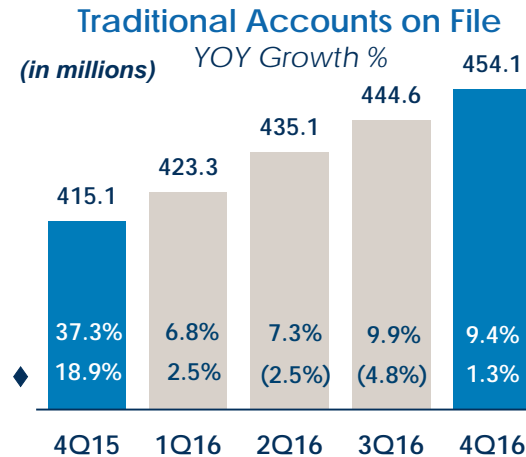


(1) Non-GAAP financial measure; See Appendix

(2) Net Revenue

2016 Fourth Quarter and Full Year NORTH AMERICA SEGMENT HIGHLIGHTS

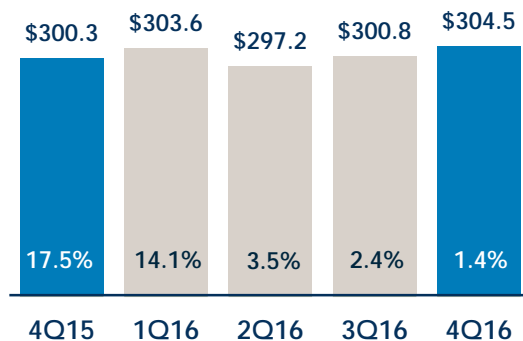
- Net revenue grew 1.4% - ahead of expectations
- Five straight quarters of record level traditional AOF
- Achieved record revenue and operating income levels for the year



◆ Growth Including Prepaid, Government Services and Single Use Accounts

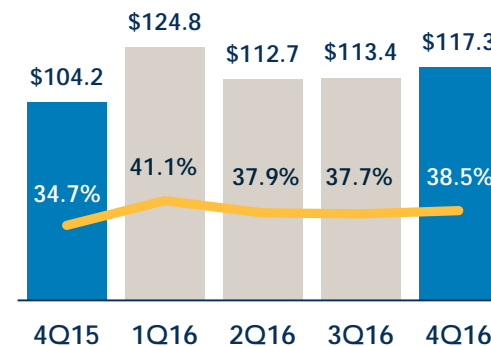
Segment Net Revenue⁽¹⁾ YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income⁽¹⁾ Operating Margin⁽²⁾

(\$ in millions)



(1) Non-GAAP financial measure; See Appendix

(2) Net Revenue

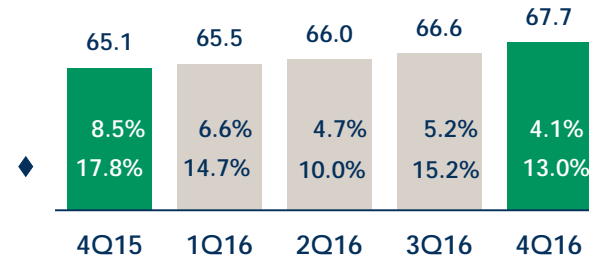
2016 Fourth Quarter and Full Year INTERNATIONAL SEGMENT HIGHLIGHTS

- Net revenue up 6.2%
- Record traditional AOF and transactions up 12.2%
- Improved client sales pipeline

Traditional Accounts on File

YOY Growth %

(in millions)

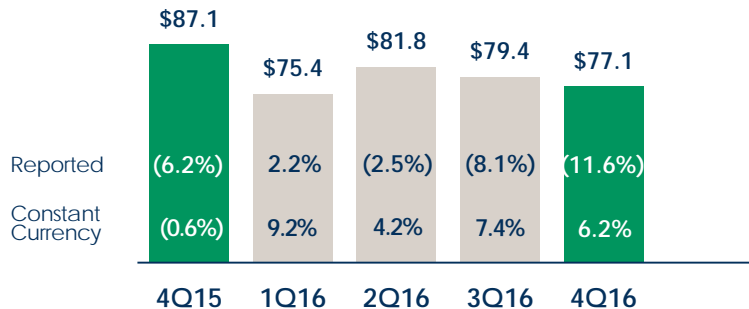


◆ Growth Including Single Use Accounts

Segment Net Revenue⁽¹⁾

YOY Growth %

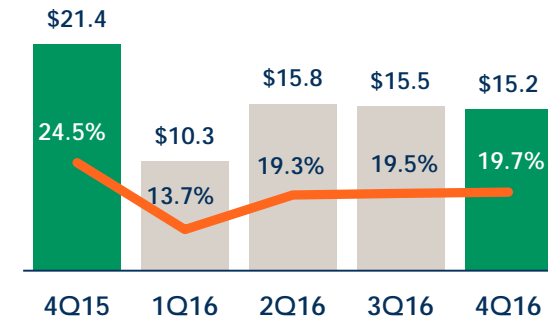
(\$ in millions)



Adjusted Segment Operating Income⁽¹⁾

Operating Margin⁽²⁾

(\$ in millions)

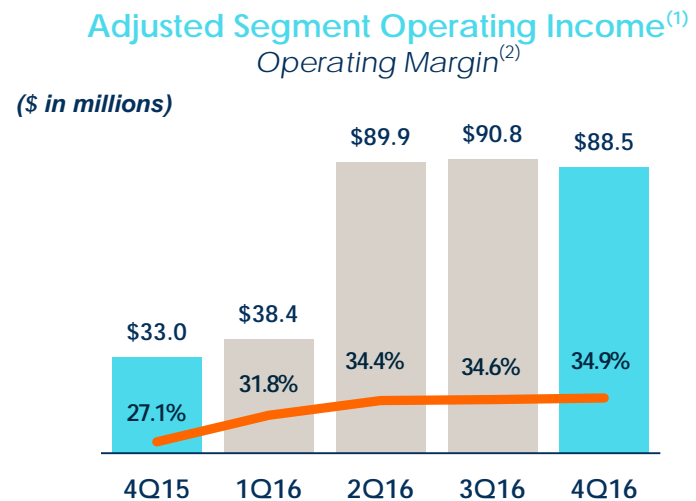
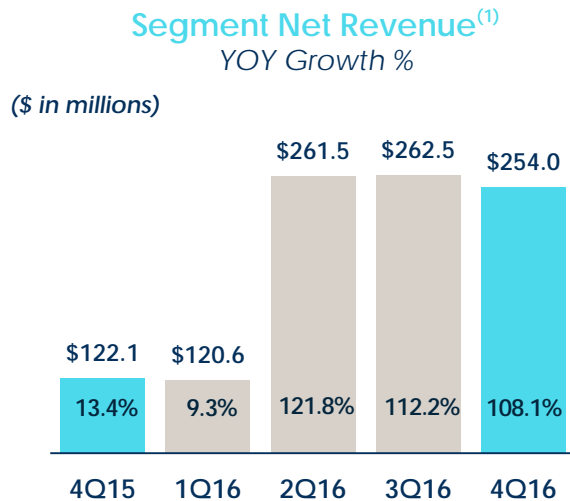
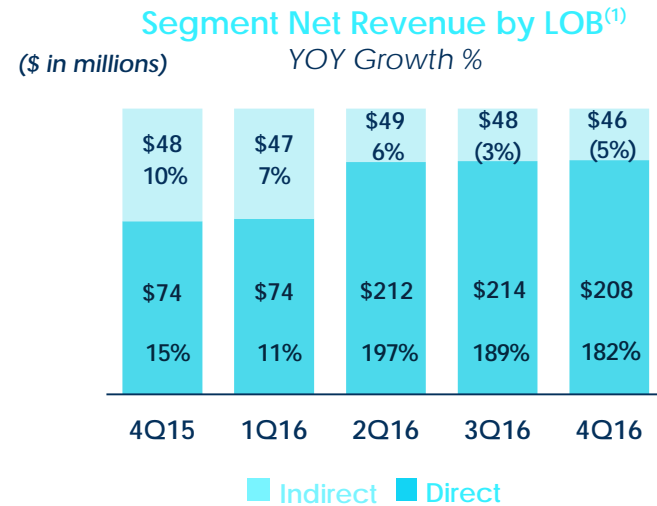


(1) Non-GAAP financial measure; See Appendix

(2) Net Revenue

2016 Fourth Quarter and Full Year MERCHANT SEGMENT HIGHLIGHTS

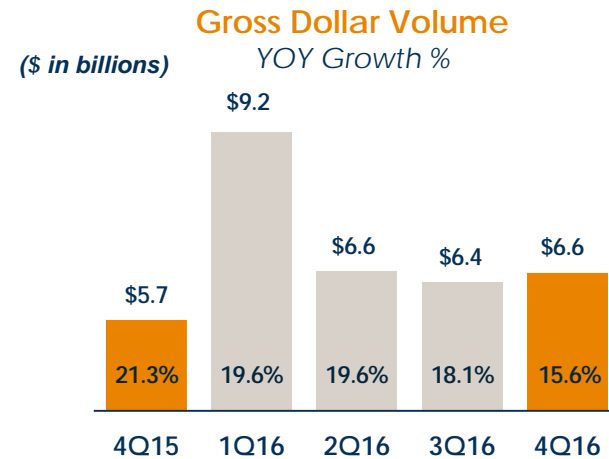
- TransFirst integration on track and synergies ahead of target
- Revenue growth driven by SMB and integrated channels' focus
- Strong and improving operating margin



(1) Non-GAAP financial measure; See Appendix
(2) Net Revenue

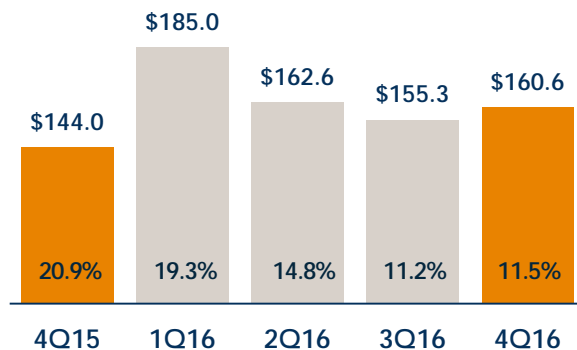
2016 Fourth Quarter and Full Year NETSPEND SEGMENT HIGHLIGHTS

- Renewed PayPal and Liberty Tax and signed new agreements with Giant Eagle and 7-Eleven
- Grew direct deposit cards by 12.7%
- 20 consecutive quarters of double-digit revenue growth



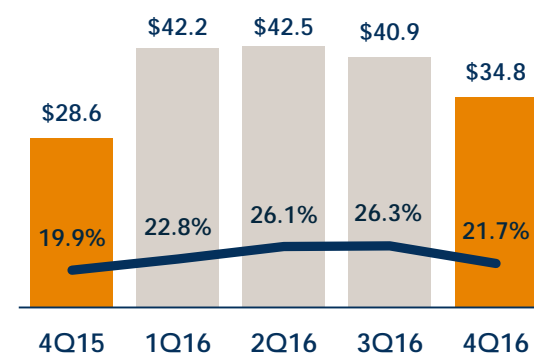
Segment Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income⁽¹⁾
Operating Margin⁽²⁾

(\$ in millions)



(1) Non-GAAP financial measure; See Appendix
(2) Net Revenue

2016 Fourth Quarter SEGMENT OPERATING MARGIN AND CONSOLIDATED ADJUSTED OPERATING MARGIN

Three Months Ended December 31, 2016

<i>(in thousands)</i>	Adjusted Segment Operating Income ⁽¹⁾	Net Revenue ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾
North America	\$117,296	\$304,450	38.53%
International	15,210	77,061	19.74%
Merchant	88,539	253,960	34.86%
NetSpend	34,834	160,617	21.69%
Intersegment	--	(10,379)	
Corporate administration excluding share-based compensation	(36,166)	--	
Subtotal	\$219,713	\$785,709	27.96%
Amortization of acquisition intangibles	(55,243)		
TransFirst M&A expenses ⁽²⁾	(2,267)		
Litigation, claims, judgments or settlements	(21,719)		
Share-based compensation	(9,937)		
Operating income (US GAAP)	\$130,547		

(1) Non-GAAP financial measure; See Appendix

(2) Costs associated with the TransFirst acquisition and integration that are included in selling, general and administrative expenses.

SEGMENT OPERATING MARGIN AND CONSOLIDATED ADJUSTED OPERATING MARGIN

Twelve Months Ended December 31, 2016

<i>(in thousands)</i>	Adjusted Segment Operating Income ⁽¹⁾	Net Revenue ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾
North America	\$468,251	\$1,206,013	38.83%
International	56,774	313,631	18.10%
Merchant	307,595	898,533	34.23%
NetSpend	160,371	663,579	24.17%
Intersegment	--	(39,880)	
Corporate administration excluding share-based compensation	(135,996)	--	
Subtotal	\$856,995	\$3,041,876	28.17%
Amortization of acquisition intangibles	(189,991)		
TransFirst M&A expenses ⁽²⁾	(28,175)		
Litigation, claims, judgments or settlements	(21,719)		
Share-based compensation	(43,728)		
Operating income (US GAAP)	\$573,382		

(1) Non-GAAP financial measure; See Appendix

(2) Costs associated with the TransFirst acquisition and integration that are included in selling, general and administrative expenses.

2016 Fourth Quarter and Full Year 2017 GUIDANCE*

(in millions, except per share data)

	Range	Range Percent Change
Revenue:		
Total revenues (GAAP)	\$4,750 to \$4,850	14% to 16%
Net revenue⁽¹⁾ (non-GAAP)	\$3,275 to \$3,375	8% to 11%
Earnings per share (EPS)		
Diluted EPS (GAAP)	\$2.14 to \$2.21	23% to 28%
Adjusted diluted EPS attributable to TSYS common shareholders⁽¹⁾ (non- GAAP)	\$3.05 to \$3.15	9% to 12%
Average diluted weighted shares	185	

*See guidance assumptions; See Appendix
(1) Non-GAAP financial measure; See Appendix



Q&A



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APPENDIX



2016 Fourth Quarter and Full Year

APPENDIX: Accounts on File Portfolio Summary

<i>(in millions)</i>	December 2016	December 2015	% Change	December 2016	September 2016	% Change
Consumer	442.9	408.2	8.5	442.9	433.5	2.2
Commercial	47.9	45.4	5.4	47.9	48.0	(0.2)
Other	31.0	26.6	16.8	31.0	29.7	4.5
Traditional AOF	521.8	480.2	8.7	521.8	511.2	2.1
Prepaid*/Stored Value	57.8	97.2	(40.5)	57.8	58.9	(1.8)
Government Services	88.7	79.3	11.7	88.7	85.7	3.5
Commercial Card Single Use	83.2	75.8	9.8	83.2	83.0	0.2
Total AOF	<u>751.5</u>	<u>732.5</u>	<u>2.6</u>	<u>751.5</u>	<u>738.8</u>	<u>1.7</u>

* Prepaid does not include NetSpend accounts

2016 Fourth Quarter and Full Year

APPENDIX: Non-GAAP Items – Net Revenue, Adjusted EBITDA and Adjusted EPS

- Net revenue is defined as total revenues less reimbursable items (such as postage), as well as, merchant acquiring interchange and assessment fees charged by the card associations or payment networks that are recorded by TSYS as expense.
- Adjusted EBITDA is net income excluding equity in income of equity investments, nonoperating income/(expense), taxes, depreciation, amortization and share-based compensation expenses, litigation, claims, judgments or settlements and TransFirst merger & acquisition expenses.
- Adjusted EPS is adjusted earnings divided by weighted average shares outstanding used for basic EPS calculations. Adjusted earnings is net income excluding the after-tax impact of share-based compensation expenses, amortization of acquisition intangibles, litigation, claims, judgments or settlements and TransFirst merger & acquisition expenses.
- Adjusted segment operating income is operating income at the segment level adjusted for amortization of acquisition intangibles.
- Adjusted segment operating margin is adjusted segment operating income divided by segment net revenue.
- The Company believes that these non-GAAP financial measures it presents are useful to investors in evaluating the Company's operating performance for the following reasons:
 - adjusted EBITDA and adjusted EPS are widely used by investors to measure a company's operating performance without regard to items, such as interest expense, income tax expense, depreciation and amortization, merger and acquisition expenses and employee share-based compensation expense that can vary substantially from company to company depending upon their respective financing structures and accounting policies, the book values of their assets, their capital structures and the methods by which their assets were acquired; and
 - securities analysts use adjusted EBITDA and adjusted EPS as supplemental measures to evaluate the overall operating performance of companies.
- By comparing the Company's adjusted EBITDA and adjusted EPS in different historical periods, investors can evaluate the Company's operating results without the additional variations caused by employee share-based compensation expense, which may not be comparable from period to period due to changes in the fair market value of the Company's common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers) and is not a key measure of the Company's operations.
- The Company's management uses the non-GAAP financial measures:
 - as measures of operating performance, because they exclude the impact of items not directly resulting from the Company's core operations;
 - for planning purposes, including the preparation of the Company's annual operating budget;
 - to allocate resources to enhance the financial performance of the Company's business;
 - to evaluate the effectiveness of the Company's business strategies; and
 - in communications with the Company's board of directors concerning the Company's financial performance.

2016 Fourth Quarter and Full Year

APPENDIX: Non-GAAP Reconciliation – Net Revenue

(in thousands)

Three Months Ended			Twelve Months Ended	
<u>12/31/16</u>	<u>12/31/15</u>		<u>12/31/16</u>	<u>12/31/15</u>
\$1,132,224	\$716,843	Total revenues	\$4,170,077	\$2,779,541
346,515	71,748	Less: reimbursable items, interchange and assessments expenses*	1,128,201	280,192
<u>\$785,709</u>	<u>\$645,095</u>	Net revenue	<u>\$3,041,876</u>	<u>\$2,499,349</u>

* Relates to acquisition of TransFirst, which closed April 1, 2016

2016 Fourth Quarter and Full Year

APPENDIX: Non-GAAP Reconciliation – Adjusted Segment Operating Income and Operating Margin

(in thousands)

	Three Months Ended		Twelve Months Ended	
	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/16</u>	<u>12/31/15</u>
Adjusted segment operating income				
By segment: North America services (a)	\$117,296	\$104,162	\$468,251	\$429,064
International services (b)	15,210	21,381	56,774	60,087
Merchant services (c)	88,539	33,033	307,595	150,225
NetSpend (d)	34,834	28,614	160,371	137,837
Less: Acquisition intangible amortization	(55,243)	(22,920)	(189,991)	(92,522)
Less: Corporate admin and other	(46,103)	(46,365)	(179,724)	(150,584)
Less: TransFirst M&A expenses ⁽¹⁾	(2,267)	--	(28,175)	--
Less: Litigation, claims, judgments or settlements	(21,719)	--	(21,719)	--
Operating income	\$130,547	\$117,905	\$573,382	\$534,107
Net revenue				
By segment: North America services (e)	\$304,450	\$300,265	\$1,206,013	\$1,147,254
International services (f)	77,061	87,126	313,631	331,159
Merchant services (g)	253,960	122,053	898,533	474,040
NetSpend (h)	160,617	144,034	663,579	580,377
Less: Intersegment revenues	(10,379)	(8,383)	(39,880)	(33,481)
Add: Reimbursable items, interchange and assessments expenses	346,515	71,748	1,128,201	280,192
Total revenues	\$1,132,224	\$716,843	\$4,170,077	\$2,779,541
Adjusted segment operating margin:				
North America services (a) / (e)	38.53%	34.69%	38.83%	37.40%
International services (b) / (f)	19.74%	24.54%	18.10%	18.14%
Merchant services (c) / (g)	34.86%	27.06%	34.23%	31.69%
NetSpend (d) / (h)	21.69%	19.87%	24.17%	23.75%

(1) Costs associated with the TransFirst acquisition and integration that are included in selling, general and administrative expenses.

2016 Fourth Quarter and Full Year

APPENDIX: Non-GAAP Reconciliation – Constant Currency Net Revenue

<i>(in thousands)</i>	Three Months Ended		Percentage Change	Twelve Months Ended		Percentage Change
	<u>12/31/16</u>	<u>12/31/15</u>		<u>12/31/16</u>	<u>12/31/15</u>	
Consolidated:						
Constant currency ⁽¹⁾	\$801,145	\$645,095	24.2%	\$3,081,534	\$2,499,349	23.3%
Foreign currency impact ⁽²⁾	(15,436)	--		(39,658)	--	
Net revenue	<u>\$785,709</u>	<u>\$645,095</u>	21.8%	<u>\$3,041,876</u>	<u>\$2,499,349</u>	21.7%
International services:						
Constant currency ⁽¹⁾	\$92,531	\$87,126	6.2%	\$353,303	\$331,159	6.7%
Foreign currency impact ⁽²⁾	(15,470)	--		(39,672)	--	
Net revenue	<u>\$77,061</u>	<u>\$87,126</u>	(11.6%)	<u>\$313,631</u>	<u>\$331,159</u>	(5.3%)

(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.

2016 Fourth Quarter and Full Year

APPENDIX: Non-GAAP Reconciliation – Constant Currency

Total Revenues

(in thousands)	Three Months Ended		Percentage Change	Twelve Months Ended		Percentage Change
	<u>12/31/16</u>	<u>12/31/15</u>		<u>12/31/16</u>	<u>12/31/15</u>	
Consolidated:						
Constant currency ⁽¹⁾	\$1,148,810	\$716,843	60.3%	\$4,212,598	\$2,779,541	51.6%
Foreign currency impact ⁽²⁾	(16,586)	--		(42,521)	--	
Total revenues	<u>\$1,132,224</u>	<u>\$716,843</u>	57.9%	<u>\$4,170,077</u>	<u>\$2,779,541</u>	50.0%
International services:						
Constant currency ⁽¹⁾	\$99,180	\$93,128	6.5%	\$378,512	\$354,725	6.7%
Foreign currency impact ⁽²⁾	(16,618)	--		(42,535)	--	
Total revenues	<u>\$82,562</u>	<u>\$93,128</u>	(11.3%)	<u>\$335,977</u>	<u>\$354,725</u>	(5.3%)

(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.

2016 Fourth Quarter and Full Year

APPENDIX: Non-GAAP Reconciliation – EBITDA and Adjusted EBITDA

(in thousands)	Three Months Ended		Twelve Months Ended	
	12/31/16	12/31/15	12/31/16	12/31/15
Net income :				
As reported (GAAP)	\$74,375	\$84,716	\$325,972	\$369,041
Adjust for:				
Deduct: Income from discontinued operations	--	(1,411)	--	(1,411)
Deduct: Equity in income of equity investments	(6,699)	(6,797)	(25,933)	(22,106)
Add: Income taxes	33,209	32,160	161,175	151,364
Add: Nonoperating expense	29,662	9,237	112,168	37,219
Add: Depreciation and amortization	102,077	67,046	373,546	258,264
EBITDA	\$232,624	\$184,951	\$946,928	\$792,371
Adjust for:				
Add: Share-based compensation	9,937	10,080	43,728	41,549
Add: TransFirst M&A expenses ⁽¹⁾	2,267	--	28,175	--
Add: Litigation, claims, judgments or settlements	21,719	--	21,719	--
Adjusted EBITDA	\$266,547	\$195,031	\$1,040,550	\$833,920

(1) Costs associated with the TransFirst acquisition and integration that are included in selling, general and administrative expenses.

2016 Fourth Quarter and Full Year

APPENDIX: Non-GAAP Reconciliation – Adjusted EPS

	Three Months Ended		Twelve Months Ended	
	12/31/16	12/31/15	12/31/16	12/31/15
<i>(in thousands, except per share data)</i>				
Income from continuing operations attributable to TSYS common shareholders:				
As reported (GAAP) (a)	\$73,950	\$81,417	\$319,638	\$362,633
Adjusted for amounts attributable to TSYS common shareholders:				
Add: Acquisition intangible amortization	54,967	22,645	188,887	91,418
Add: Share-based compensation	9,925	10,076	43,691	41,535
Add: TransFirst M&A expenses ⁽¹⁾	2,268	--	37,957	--
Add: Litigation, claims, judgments and settlements	19,913	--	19,913	--
Less: Tax impact of adjustments ⁽²⁾	(31,403)	(10,208)	(93,667)	(43,474)
Adjusted earnings (b)	\$129,620	\$103,930	\$516,419	\$452,112
Average common shares outstanding and participating securities (c)	183,665	183,376	183,655	184,082
Basic EPS - income from continuing operations available to TSYS common shareholders (a) / (c)	\$0.40	\$0.44	\$1.74	\$1.97
Adjusted EPS- income from continuing operations available to TSYS common shareholders (b) / (c)	\$0.71	\$0.57	\$2.81	\$2.46

(1) Costs associated with the TransFirst acquisition and integration that are included in selling, general and administrative expenses and nonoperating expenses.

(2) Certain of these merger and acquisition costs are nondeductible for income tax purposes. Income tax impact includes a discrete item as a result of the acquisition.

2016 Fourth Quarter and Full Year 2017 GUIDANCE*

(in millions, except per share data)

	Range			Range Percent Change		
Total revenues (GAAP)	\$4,750	to	\$4,850	14%	to	16%
Less: reimbursable items, interchange and assessments expenses	1,475	to	1,475			
Net revenue (non-GAAP)	\$3,275	to	\$3,375	8%	to	11%
Diluted EPS (GAAP)	\$2.14	to	\$2.21	23%	to	28%
Acquisition intangible amortization, share-based compensation, litigation, claims, judgments or settlements and TransFirst M&A expenses, less the tax impact of adjustments	0.91	to	0.94			
Adjusted diluted EPS attributable to TSYS common shareholders (non-GAAP)	\$3.05	to	\$3.15	9%	to	12%
Average diluted weighted shares	185					

(* See guidance assumptions)

APPENDIX: 2017 Guidance Assumptions

The guidance assumes:

- There will be no significant movements in the London Interbank Offered rate and TSYS will not make any significant draws on the remaining balance of its credit facility;
- There will be no additional significant movement in foreign currency exchange rates related to TSYS' business;
- TSYS will not incur significant expenses associated with the conversion of new large clients, additional acquisitions, or any significant impairment of goodwill or other intangibles;
- There will be no deconversions of large clients during the year other than as previously disclosed; and
- The economy will not worsen.
- Additionally, the impact of future share repurchases is not included.