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Synovus Announces Earnings for the Third Quarter 2017

Diluted Earnings per Share of \$0.78, up 55% vs. 3Q16
Adjusted Diluted Earnings per Share of \$0.65, up 25% vs. 3Q16

COLUMBUS, Ga., October 17, 2017 – Synovus Financial Corp. (NYSE: SNV) today reported financial results for the quarter ended September 30, 2017.

Third Quarter Highlights

- Net income available to common shareholders was \$95.4 million or \$0.78 per diluted share as compared to \$73.4 million or \$0.60 per diluted share for the second quarter 2017 and \$62.7 million or \$0.51 per diluted share for the third quarter 2016. The third quarter results reflect the Cabela's transaction fee and certain balance sheet restructuring actions.
 - Adjusted diluted earnings per share were \$0.65 as compared to \$0.61 for the second quarter 2017 and \$0.52 for the third quarter 2016.
- Return on average assets was 1.27%, up 27 basis points from the previous quarter and up 39 basis points from the third quarter 2016.
 - Adjusted return on average assets was 1.05% as compared to 1.01% for the second quarter 2017 and 0.90% for the third quarter 2016.
- Total average loans grew \$149.9 million or 2.4% annualized from the previous quarter and \$1.36 billion or 5.9% as compared to the third quarter 2016.
- Total average deposits grew \$295.2 million or 4.7% annualized from the previous quarter and \$1.26 billion or 5.2% as compared to the third quarter 2016.
- Non-performing asset ratio was 57 basis points, down 16 basis points from the previous quarter and down 20 basis points from the third quarter 2016.
 - Results include the impact of certain balance sheet restructuring actions which included \$77.8 million in loans transferred to held-for-sale.
- Return on average common equity was 13.24%, up 290 basis points from the previous quarter and up 435 basis points from the third quarter 2016.
 - Adjusted return on average common equity was 10.92% as compared to 10.49% for the second quarter 2017 and 9.08% for the third quarter 2016.
 - Adjusted return on average tangible common equity was 11.19% as compared to 10.75% for the second quarter 2017 and 9.16% for the third quarter 2016.
- Completed the acquisition of certain assets and assumption of certain liabilities of World's Foremost Bank (WFB), a wholly-owned subsidiary of Cabela's Incorporated, on September 25, 2017.
 - Simultaneously sold the credit card assets and related liabilities to Capital One Bank while retaining WFB's \$1.1 billion brokered time deposit portfolio.
 - Non-interest income includes a \$75.0 million transaction fee received from Cabela's and Capital One as part of the transaction.

“Our third quarter results reflect solid execution and steady progress toward achieving our strategic priorities,” said Synovus Chairman and CEO Kessel Stelling. “Adjusted earnings per share increased 25% year-over-year, adjusted return on assets increased to 1.05%, and our efficiency ratio declined to below 59%. We strengthened our balance sheet with diversified year-over-year average loan growth of 6% funded by core deposit growth, and we saw the non-performing loan ratio decline 24 basis points to 0.40%. We were also pleased to close the Cabela’s transaction, which provided additional liquidity to fund organic growth and enabled the acceleration of additional balance sheet restructuring actions with longer term financial benefit. Our team is highly energized as we prepare to finish strong in 2017 and fully transition to a unified Synovus brand in 2018, with all of our efforts aimed at improving the customer experience in the communities we serve throughout our footprint.”

Balance Sheet

- Total average loans were \$24.50 billion, up \$149.9 million or 2.4% annualized from the previous quarter and up \$1.36 billion or 5.9% as compared to the third quarter 2016.
- Total loans ended the quarter at \$24.49 billion, up \$56.8 million or 0.9% annualized from the previous quarter and up \$1.22 billion or 5.3% as compared to the third quarter 2016.
 - Excluding transfers to held-for-sale, loans grew \$134.6 million or 2.2% annualized from the previous quarter.
 - Consumer loans grew \$286.4 million or 21.5% annualized from the previous quarter.
 - Commercial and industrial loans grew \$24.8 million or 0.8% annualized from the previous quarter.
 - Commercial real estate loans declined \$178.4 million or 9.5% annualized from the previous quarter.
- Total average deposits were \$25.29 billion, up \$295.2 million or 4.7% annualized from the previous quarter and up \$1.26 billion or 5.2% as compared to the third quarter 2016.
 - Average core transaction deposits¹ grew \$194.0 million or 4.2% annualized from the previous quarter and \$1.24 billion or 7.1% as compared to the third quarter 2016.

Core Performance

- Total adjusted revenues were \$331.3 million, up \$9.8 million or 3.1% from the previous quarter and up 12.4% from the third quarter 2016.
- Net interest income was \$262.6 million, up \$11.5 million or 4.6% from the previous quarter and up 16.2% from the third quarter 2016.
- Net interest margin was 3.63%, up 12 basis points from the previous quarter. Yield on earning assets was 4.11%, up 12 basis points from the previous quarter, and the effective cost of funds was 0.48%, unchanged from the previous quarter.
- Total non-interest income was \$135.4 million, up \$66.7 million compared to the previous quarter and up \$67.3 million from third quarter 2016.
 - Includes the \$75.0 million Cabela’s transaction fee, partially offset by \$8.0 million in investment securities losses
- Adjusted non-interest income was \$68.4 million, down \$1.6 million or 2.3% from the previous quarter and unchanged from the third quarter 2016.

¹ Consist of non-interest bearing, NOW/Savings, and money market deposits excluding SCMs.

² Non-interest expense as a percentage of the sum of net interest income (fully taxable equivalent basis) and non-interest income excluding net investment securities gains/losses.

- Total non-interest expense was \$205.6 million, up \$13.9 million or 7.2% from the previous quarter and up 10.6% from the third quarter 2016.
 - Efficiency ratio² was 50.62% as compared to 59.90% in the previous quarter and 63.13% in the third quarter 2016.
- Adjusted non-interest expense was \$194.1 million, up \$2.7 million or 1.4% from the previous quarter and up 5.5% from the third quarter 2016.
 - Adjusted efficiency ratio was 58.59% as compared to 59.56% in the previous quarter and 62.41% in the third quarter 2016.

Credit Quality

- During the third quarter, Synovus completed certain balance sheet restructuring actions which included \$77.8 million in loans transferred to held-for-sale (consisting primarily of NPLs) that resulted in provision expense of \$27.7 million. Additionally, foreclosed real estate expenses for the quarter include \$7.1 million of charges related to discounts to fair value for completed or planned accelerated dispositions.
- Non-performing loans were \$97.8 million at September 30, 2017, down \$61.5 million from June 30, 2017 and down \$50.3 million from September 30, 2016. The non-performing loan ratio was 0.40% at September 30, 2017, as compared to 0.65% at June 30, 2017 and 0.64% at September 30, 2016.
- Total non-performing assets were \$138.6 million at September 30, 2017, down \$40.3 million from June 30, 2017 and down \$40.5 million from September 30, 2016. The non-performing asset ratio was 0.57% at September 30, 2017, as compared to 0.73% at June 30, 2017 and 0.77% at September 30, 2016.
- Net charge-offs were \$38.1 million in the third quarter 2017, up \$22.4 million from the previous quarter and up \$31.2 million from the third quarter 2016. The annualized net charge-off ratio was 0.62% in the third quarter as compared to 0.26% in the previous quarter and 0.12% in the third quarter 2016.
- Total delinquencies (consisting of loans 30 or more days past due and still accruing) were 0.35% of total loans at September 30, 2017 as compared to 0.27% at June 30, 2017 and 0.27% at September 30, 2016.

Capital Ratios

- Ratios reflect repurchase of \$90.6 million in common stock during the third quarter 2017.
- Common Equity Tier 1 ratio was 10.04% at September 30, 2017 compared to 10.02% at June 30, 2017.
- Tier 1 Capital ratio was 10.41% at September 30, 2017 compared to 10.37% at June 30, 2017.
- Total Risk Based Capital ratio was 12.28% at September 30, 2017 compared to 12.24% at June 30, 2017.
- Tier 1 Leverage ratio was 9.34% at September 30, 2017 compared to 9.30% at June 30, 2017.
- Tangible Common Equity ratio was 8.88% at September 30, 2017 compared to 9.15% at June 30, 2017.

Third Quarter Earnings Conference Call

Synovus will host an earnings highlights conference call at 8:30 a.m. EDT on October 17, 2017. The earnings call will be accompanied by a slide presentation. Shareholders and other interested parties may listen to this conference call via simultaneous Internet broadcast. For a link to the webcast, go to investor.synovus.com/event. The replay will be archived for 12 months and will be available 30-45 minutes after the call.

Synovus Financial Corp.

Synovus Financial Corp. is a financial services company based in Columbus, Georgia, with approximately \$32 billion in assets. Synovus provides commercial and retail banking, investment, and mortgage services through 248 branches in Georgia, Alabama, South Carolina, Florida, and Tennessee. Synovus Bank, a wholly owned subsidiary of Synovus, was recognized as the “Most Reputable Bank” by *American Banker* and the Reputation Institute in 2017, and was named “[Best Regional Bank, Southeast](#)” by *MONEY* Magazine for 2016-17. Synovus is on the web at synovus.com, on Twitter [@synovus](https://twitter.com/synovus), and on LinkedIn at <http://linkedin.com/company/synovus>.

Forward-Looking Statements

This press release and certain of our other filings with the Securities and Exchange Commission contain statements that constitute “forward-looking statements” within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are forward-looking statements. You can identify these forward-looking statements through Synovus’ use of words such as “believes,” “anticipates,” “expects,” “may,” “will,” “assumes,” “should,” “predicts,” “could,” “would,” “intends,” “targets,” “estimates,” “projects,” “plans,” “potential” and other similar words and expressions of the future or otherwise regarding the outlook for Synovus’ future business and financial performance and/or the performance of the banking industry and economy in general. These forward-looking statements include, among others, our expectations regarding deposits, loan growth and the net interest margin; expectations on our growth strategy, expense initiatives, strategic transactions, capital management, our brand initiative, and future profitability; expectations on credit trends and key credit metrics; and the assumptions underlying our expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties which may cause the actual results, performance or achievements of Synovus to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based on the information known to, and current beliefs and expectations of, Synovus’ management and are subject to significant risks and uncertainties. Actual results may differ materially from those contemplated by such forward-looking statements. A number of factors could cause actual results to differ materially from those contemplated by the forward-looking statements in this press release. Many of these factors are beyond Synovus’ ability to control or predict.

These forward-looking statements are based upon information presently known to Synovus’ management and are inherently subjective, uncertain and subject to change due to any number of risks and uncertainties, including, without limitation, the risks and other factors set forth in Synovus’ filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2016 under the captions “Cautionary Notice Regarding Forward-Looking

Statements” and “Risk Factors” and in Synovus’ quarterly reports on Form 10-Q and current reports on Form 8-K. We believe these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations and speak only as of the date that they are made. We do not assume any obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as otherwise may be required by law.

Use of Non-GAAP Financial Measures

The measures adjusted diluted earnings per share; adjusted return on average assets; adjusted return on average common equity; adjusted return on average tangible common equity; loan growth excluding transfers to held-for-sale; average core transaction deposits; total adjusted revenues; adjusted non-interest income; adjusted non-interest expense; adjusted efficiency ratio; tangible common equity ratio; and common equity Tier 1 (CET1) ratio (fully phased-in) are not measures recognized under U.S. generally accepted accounting principles (GAAP) and therefore are considered non-GAAP financial measures. The most comparable GAAP measures are net income per common share, diluted; return on average assets; return on average common equity; total loan growth; total average deposits; total revenue; total non-interest income; total non-interest expense; efficiency ratio; return on average common equity and total shareholders’ equity to total assets ratio, respectively.

Synovus believes that these non-GAAP financial measures provide meaningful additional information about Synovus to assist management, investors, and bank regulators in evaluating Synovus’ operating results, financial strength and capitalization, and the performance of its business and the strength of its capital position, but they have inherent limitations as analytical tools and should not be considered in isolation or as a substitute for analyses of results as reported under GAAP. Adjusted diluted earnings per share, adjusted return on average assets, adjusted return on average common equity, and adjusted return on average tangible common equity are measurements used by management to evaluate operating results exclusive of items that are not indicative of ongoing operations and impact period-to-period comparisons. Average core transaction deposits is a measure used by management to evaluate organic growth of deposits and the quality of deposits as a funding source. Loan growth excluding transfers to held-for-sale is a measure used by management to evaluate organic loan growth exclusive of loans transferred to held-for-sale. Total adjusted revenues and adjusted non-interest income are measures utilized by management to measure non-interest income exclusive of net investment securities gains/losses, decrease in fair value of private equity investments, net, and the Cabela’s transaction fee. Adjusted non-interest expense and the adjusted efficiency ratio are measures utilized by management to measure the success of expense management initiatives focused on reducing recurring controllable operating costs. The tangible common equity ratio and common equity Tier 1 (CET1) ratio (fully phased-in) are used by management and bank regulators to assess the strength of our capital position. These non-GAAP financial measures should be considered as additional views of the way our financial measures are affected by significant items and other factors, and since they are not required to be uniformly applied, they may not be comparable to other similarly titled measures at other companies and should not be considered as substitutes for net income per common share, diluted; return on average assets; return on average common equity; total loan growth; total average deposits; total revenue; total non-interest income; total non-interest expense; efficiency ratio; return on average common equity and total shareholders’ equity to total assets ratio, determined in accordance with GAAP and may not be comparable to other similarly titled measures at other companies.

The computations of adjusted diluted earnings per share; adjusted return on average assets; adjusted return on average common equity; adjusted return on average tangible common equity; loan growth excluding transfers to held-for-sale; average core transaction deposits; total adjusted revenues; adjusted non-interest income; adjusted non-interest expense; adjusted efficiency ratio; tangible common equity ratio; and common equity Tier 1 (CET1) ratio (fully phased-in) and the reconciliation of these measures to net income per common share, diluted; return on average assets; return on average common equity; total loan growth; total average deposits; total revenue; total non-interest income; total non-interest expense; efficiency ratio; return on average common equity; and total shareholders' equity to total assets ratio are set forth in the tables below.

**Reconciliation of Non-GAAP Financial Measures,
continued**

(dollars in thousands)	<u>3Q17</u>	<u>2Q17</u>	<u>3Q16</u>
Adjusted Net Income Per Common Share, Diluted			
Net income available to common shareholders	\$ 95,448	73,444	62,686
Add: Earnout liability adjustments	2,059	-	-
Add: Merger-related expense	23	-	550
Add: Fair value adjustment to VISA derivative	-	-	360
Add/subtract: Litigation contingency/(recovery)	401	-	(189)
Add: Restructuring charges	519	13	1,243
Add: Amortization of intangibles	292	292	-
Add: 3Q17 balance sheet restructuring actions	35,960	-	-
Add/subtract: Investment securities losses (gains), net	7,956	1	(59)
Add: Decrease in fair value of private equity investments, net	27	1,352	249
Subtract: Cabela's transaction fee	(75,000)	-	-
Add/subtract: Tax effect of adjustments	<u>11,034</u>	<u>(613)</u>	<u>(797)</u>
Adjusted net income	\$ 78,719	74,489	64,043
Weighted average common shares outstanding-diluted	121,814	123,027	123,604
Adjusted diluted earnings per share	<u>\$0.65</u>	<u>0.61</u>	<u>0.52</u>

**Reconciliation of Non-GAAP Financial Measures,
continued**

(dollars in thousands)

	<u>3Q17</u>	<u>2Q17</u>	<u>3Q16</u>
Adjusted Return on Average Assets			
Net income	\$ 98,008	76,003	65,245
Add: Earnout liability adjustments	2,059	-	-
Add: Merger-related expense	23	-	550
Add: Fair value adjustment to VISA derivative	-	-	360
Subtract/add: Litigation contingency	401	-	(189)
Add: Restructuring charges	519	13	1,243
Add: Amortization of intangibles	292	292	-
Add: 3Q17 balance sheet restructuring actions	35,960	-	-
Subtract/add: Investment securities (losses) gains, net	7,956	1	(59)
Add: Decrease in fair value of private equity investments, net	27	1,352	249
Subtract: Cabela's transaction fee	(75,000)	-	-
Subtract/add: Tax effect of adjustments	<u>11,034</u>	<u>(613)</u>	<u>(797)</u>
Adjusted net income	\$ 81,279	77,048	66,602
Net income annualized	\$322,466	309,039	264,960
Total average assets	\$30,678,388	30,630,748	29,528,435
Adjusted return on average assets	<u>1.05%</u>	<u>1.01</u>	<u>0.90</u>

**Reconciliation of Non-GAAP Financial Measures,
continued**

(dollars in thousands)

	<u>3Q17</u>	<u>2Q17</u>	<u>3Q16</u>
Adjusted Return on Common Equity			
Net income available to common shareholders	\$ 95,448	73,444	62,686
Add: Earnout liability adjustments	2,059	-	-
Add: Merger-related expense	23	-	550
Add: Fair value adjustment to VISA derivative	-	-	360
Subtract/add: Litigation contingency	401	-	(189)
Add: Restructuring charges	519	13	1,243
Add: Amortization of intangibles	292	292	-
Add: 3Q17 balance sheet restructuring actions	35,960	-	-
Subtract/add: Investment securities (losses) gains, net	7,956	1	(59)
Add: Decrease in fair value of private equity investments, net	27	1,352	249
Subtract: Cabela's transaction fee	(75,000)	-	-
Add/subtract: Tax effect of adjustments	<u>11,034</u>	<u>(613)</u>	<u>(797)</u>
Adjusted net income	\$ 78,719	74,489	64,043
Net income annualized	\$312,309	298,775	254,780
Total average shareholders' equity less preferred stock	\$2,859,491	2,849,069	2,806,533
Subtract: Goodwill	(57,167)	(57,017)	(24,431)
Subtract: Other intangibles assets, net	<u>(11,648)</u>	<u>(11,966)</u>	<u>(226)</u>
Total average tangible shareholders' equity less preferred	\$2,790,676	2,780,086	2,781,876
Adjusted return on average common equity	<u>10.92%</u>	<u>10.49</u>	<u>9.08</u>
Adjusted return on average tangible common equity	<u>11.19%</u>	<u>10.75</u>	<u>9.16</u>
Average Core Transaction Deposits			
Total average deposits	\$25,286,919	24,991,708	24,030,291
Subtract: Average brokered deposits	(1,530,889)	(1,379,559)	(1,409,739)
Subtract: Average time deposits excluding average SCM time deposits	(3,160,915)	(3,151,333)	(3,153,366)
Subtract: Average state, county, and municipal (SCM) deposits	<u>(1,991,954)</u>	<u>(2,051,646)</u>	<u>(2,105,126)</u>
Average core transaction deposits	<u>\$ 18,603,161</u>	<u>18,409,170</u>	<u>17,362,060</u>

**Reconciliation of Non-GAAP Financial Measures,
continued**

(dollars in thousands)

	<u>3Q17</u>	<u>2Q17</u>	<u>3Q16</u>
Adjusted Non-interest Income			
Total non-interest income	\$135,435	68,701	68,155
Subtract: Cabela's transaction fee	(75,000)	-	-
Add/subtract: Investment securities (losses) gains, net	7,956	1	(59)
Add: Decrease in fair value of private equity investments, net	<u>27</u>	<u>1,352</u>	<u>249</u>
Adjusted non-interest income	<u>\$68,418</u>	<u>70,054</u>	<u>68,345</u>
Adjusted Non-interest Expense			
Total non-interest expense	\$ 205,646	191,747	185,871
Subtract: 3Q17 balance sheet restructuring actions	(8,250)	-	-
Subtract: Earnout liability adjustments	(2,059)	-	-
Subtract: Restructuring charges	(519)	(13)	(1,243)
Subtract: Fair value adjustment to Visa derivative	-	-	(360)
Subtract: Litigation contingency/ recovery	(401)	-	189
Subtract: Merger-related expense	(23)	-	(550)
Subtract: Amortization of intangibles	<u>(292)</u>	<u>(292)</u>	-
Adjusted non-interest expense	<u>\$ 194,102</u>	<u>191,442</u>	<u>183,907</u>
Adjusted Efficiency Ratio			
Adjusted non-interest expense	\$ 194,102	191,442	183,907
Net interest income	262,572	251,097	226,007
Add: Tax equivalent adjustment	283	298	330
Add: Total non-interest income	135,435	68,701	68,155
Subtract: Cabela's transaction fee	(75,000)		
Add: Decrease in fair value of private equity investments, net	27	1,352	249
Add/subtract: Investment securities (losses) gains, net	<u>7,956</u>	<u>1</u>	<u>(59)</u>
Total adjusted revenues	\$ 331,273	321,449	294,682
Adjusted efficiency ratio	<u>58.59%</u>	<u>59.56</u>	<u>62.41</u>

**Reconciliation of Non-GAAP Financial Measures,
continued**

(dollars in thousands)

	3Q17	2Q17	3Q16
Tangible common equity ratio			
Total assets	\$31,642,123	30,687,966	29,727,096
Subtract: Goodwill	(57,315)	(57,092)	(24,431)
Subtract: Other intangible assets, net	<u>(11,548)</u>	<u>(11,843)</u>	<u>(225)</u>
Tangible assets	<u>\$ 31,573,260</u>	<u>30,619,031</u>	<u>29,702,440</u>
Total shareholders' equity	\$ 2,997,079	2,997,947	2,906,659
Subtract: Goodwill	(57,315)	(57,092)	(24,431)
Subtract: Other intangible assets, net	(11,548)	(11,843)	(225)
Subtract: Series C Preferred Stock, no par value	<u>(125,980)</u>	<u>(125,980)</u>	<u>(125,980)</u>
Tangible common equity	<u>\$ 2,802,236</u>	<u>2,803,032</u>	<u>2,756,023</u>
Tangible common equity ratio	8.88%	9.15	9.28
Common Equity Tier 1 (CET1) ratio (fully phased-in)			
Common Equity Tier 1 (CET1)	\$2,749,303	2,734,983	2,596,233
Adjustment related to capital components	<u>(25,704)</u>	<u>(31,623)</u>	<u>(101,843)</u>
CET1 (fully phased-in)	<u>\$ 2,723,599</u>	<u>2,703,360</u>	<u>2,494,390</u>
Total risk-weighted assets (fully phased-in)	\$ 27,600,027	27,528,587	26,323,936
Common Equity Tier 1 (CET1) ratio (fully phased-in)	9.87%	9.82	9.48
Sequential quarter loan growth excluding transfers to held-for-sale			
3Q17 Sequential quarter loan growth, as reported	\$56,848		
Add: transfers to held-for-sale			
Consumer	20,213		
C&I	41,821		
Commercial	<u>15,740</u>		
Total loans transferred to held-for-sale	\$ 77,774		
3Q17 Sequential quarter loan growth excluding transfers to held-for sale	\$ 134,622		
Ending loan balance at June 30, 2017	\$ 24,430,512		
Sequential quarter % change, as reported, annualized		0.9%	
Sequential quarter % change, adjusted, annualized		2.2%	

Synovus

INCOME STATEMENT DATA

(Unaudited)

(Dollars in thousands, except per share data)

Nine Months Ended

September 30,

	2017	2016	Change
Interest income	\$ 855,563	758,270	12.8 %
Interest expense	101,966	92,620	10.1
Net interest income	753,597	665,650	13.2
Provision for loan losses	58,620	21,741	169.6
Net interest income after provision for loan losses	694,977	643,909	7.9
Non-interest income:			
Service charges on deposit accounts	59,848	60,772	(1.5)
Fiduciary and asset management fees	37,290	34,691	7.5
Brokerage revenue	21,947	20,019	9.6
Mortgage banking income	17,151	18,755	(8.6)
Bankcard fees	24,339	24,988	(2.6)
Cabela's transaction fee	75,000	-	nm
Investment securities (losses) gains, net	(289)	126	nm
Decrease in fair value of private equity investments, net	(3,193)	(527)	nm
Other fee income	16,127	15,255	5.7
Other non-interest income	27,754	25,109	10.5
Total non-interest income	275,974	199,188	38.5
Non-interest expense:			
Salaries and other personnel expense	322,079	300,364	7.2
Net occupancy and equipment expense	89,837	81,480	10.3
Third-party processing expense	39,882	34,033	17.2
FDIC insurance and other regulatory fees	20,723	20,100	3.1
Professional fees	20,048	19,794	1.3
Advertising expense	14,868	15,358	(3.2)
Foreclosed real estate expense, net	10,847	9,998	8.5
Earnout liability adjustments	3,766	-	nm
Merger-related expense	110	550	nm
Amortization of intangibles	767	121	nm
Fair value adjustment to Visa derivative	-	1,079	nm
Loss on early extinguishment of debt	-	4,735	nm
Litigation contingency/settlement expense	401	2,511	nm
Restructuring charges, net	7,043	8,225	(14.4)
Other operating expenses	64,409	64,368	0.1
Total non-interest expense	594,780	562,716	5.7
Income before income taxes	376,171	280,381	34.2
Income tax expense	130,303	102,148	27.6
Net income	245,868	178,233	37.9
Dividends on preferred stock	7,678	7,678	-
Net income available to common shareholders	\$ 238,190	170,555	39.7 %
Net income per common share, basic	\$ 1.96	1.36	43.4 %
Net income per common share, diluted	1.94	1.36	43.2
Cash dividends declared per common share	0.45	0.36	25.0
Return on average assets	1.07 %	0.81	26 bp
Return on average common equity	11.20	8.07	313
Weighted average common shares outstanding, basic	121,796	125,076	(2.6) %
Weighted average common shares outstanding, diluted	122,628	125,712	(2.5)

nm - not meaningful

bps - basis points

Synovus

INCOME STATEMENT DATA

(Unaudited)

(In thousands, except per share data)

	2017		2016		3rd Quarter	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	'17 vs. '16 Change
Interest income	\$ 297,652	285,510	272,401	264,534	256,554	16.0 %
Interest expense	35,080	34,413	32,474	31,004	30,547	14.8
Net interest income	262,572	251,097	239,927	233,530	226,007	16.2
Provision for loan losses	39,686	10,260	8,674	6,259	5,671	nm
Net interest income after provision for loan losses	222,886	240,837	231,253	227,271	220,336	1.2
Non-interest income:						
Service charges on deposit accounts	20,255	19,820	19,774	20,653	20,822	(2.7)
Fiduciary and asset management fees	12,615	12,524	12,151	11,903	11,837	6.6
Brokerage revenue	7,511	7,210	7,226	7,009	6,199	21.2
Mortgage banking income	5,603	5,784	5,766	5,504	7,329	(23.6)
Bankcard fees	7,901	8,253	8,185	8,330	8,269	(4.5)
Cabela's transaction fee	75,000	-	-	-	-	nm
Investment securities (losses) gains, net	(7,956)	(1)	7,668	5,885	59	nm
Decrease in fair value of private equity investments, net	(27)	(1,352)	(1,814)	(499)	(249)	nm
Other fee income	5,094	6,164	4,868	4,965	5,171	(1.5)
Other non-interest income	9,439	10,299	8,015	10,256	8,718	8.3
Total non-interest income	135,435	68,701	71,839	74,006	68,155	98.7
Non-interest expense:						
Salaries and other personnel expense	109,675	105,213	107,191	101,662	101,945	7.6
Net occupancy and equipment expense	30,573	29,933	29,331	27,867	28,120	8.7
Third-party processing expense	13,659	13,620	12,603	12,287	11,219	21.7
FDIC insurance and other regulatory fees	7,078	6,875	6,770	6,614	6,756	4.8
Professional fees	7,141	7,551	5,355	6,904	6,486	10.1
Advertising expense	3,610	5,346	5,912	4,905	5,597	(35.5)
Foreclosed real estate expense, net	7,265	1,448	2,134	2,840	2,725	166.6
Earnout liability adjustments	2,059	1,707	-	-	-	nm
Merger-related expense	23	-	86	1,086	550	nm
Amortization of intangibles	292	292	183	400	-	nm
Fair value adjustment to Visa derivative	-	-	-	4,716	360	nm
Litigation contingency (recovery) expense	401	-	-	-	(189)	nm
Restructuring charges, net	519	13	6,511	42	1,243	nm
Other operating expenses	23,351	19,749	21,312	23,886	21,059	10.9
Total non-interest expense	205,646	191,747	197,388	193,209	185,871	10.6
Income before income taxes	152,675	117,791	105,704	108,068	102,620	48.8
Income tax expense	54,668	41,788	33,847	39,519	37,375	46.3
Net income	98,007	76,003	71,857	68,549	65,245	50.2
Dividends on preferred stock	2,559	2,559	2,559	2,559	2,559	-
Net income available to common shareholders	\$ 95,448	73,444	69,298	65,990	62,686	52.3 %
Net income per common share, basic	\$ 0.79	0.60	0.57	0.54	0.51	54.8 %
Net income per common share, diluted	0.78	0.60	0.56	0.54	0.51	54.5
Cash dividends declared per common share	0.15	0.15	0.15	0.12	0.12	25.0
Return on average assets *	1.27 %	1.00	0.96	0.90	0.88	39 bps
Return on average common equity *	13.24	10.34	9.97	9.42	8.89	435
Weighted average common shares outstanding, basic	120,900	122,203	122,300	122,341	122,924	(1.6) %
Weighted average common shares outstanding, diluted	121,814	123,027	123,059	123,187	123,604	(1.4)

nm - not meaningful

bps - basis points

* - ratios are annualized

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BALANCE SHEET DATA (Unaudited)

(In thousands, except share data)

ASSETS

	September 30, 2017	December 31, 2016	September 30, 2016
Cash and cash equivalents	\$ 386,459	395,175	367,342
Interest bearing funds with Federal Reserve Bank	1,297,581	527,090	985,776
Interest earning deposits with banks	6,047	18,720	18,375
Federal funds sold and securities purchased under resale agreements	48,820	58,060	71,753
Trading account assets, at fair value	12,329	9,314	7,309
Mortgage loans held for sale, at fair value	54,072	51,545	95,769
Other loans held for sale	31,253	127	2,474
Investment securities available for sale, at fair value	3,825,443	3,718,195	3,603,153
Loans, net of deferred fees and costs	24,487,360	23,856,391	23,262,887
Allowance for loan losses	(249,683)	(251,758)	(253,817)
Loans, net	24,237,677	23,604,633	23,009,070
Premises and equipment, net	423,245	417,485	418,091
Goodwill	57,315	59,678	24,431
Other intangible assets	11,548	13,223	225
Other real estate	10,551	22,308	28,438
Deferred tax asset, net	272,052	395,356	395,795
Other assets	967,731	813,093	699,095
Total assets	\$ 31,642,123	30,104,002	29,727,096

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:

Non-interest bearing deposits	\$ 7,302,682	7,085,804	7,059,059
Interest bearing deposits, excluding brokered deposits	16,420,319	16,183,273	15,817,596
Brokered deposits	2,463,227	1,378,983	1,315,348
Total deposits	26,186,228	24,648,060	24,192,003

Federal funds purchased and securities sold under repurchase agreements

	141,539	159,699	195,025
Long-term debt	1,882,607	2,160,881	2,160,985
Other liabilities	434,671	207,438	272,424
Total liabilities	28,645,045	27,176,078	26,820,437

Shareholders' equity:

Series C Preferred Stock - no par value, 5,200,000 shares outstanding at September 30, 2017, December 31, 2016, and September 30, 2016	125,980	125,980	125,980
Common stock - \$1.00 par value. 119,566,625 shares outstanding at September 30, 2017, 122,266,106 shares outstanding at December 31, 2016, and 121,453,772 shares outstanding at September 30, 2016	142,525	142,026	141,066
Additional paid-in capital	3,033,681	3,028,405	2,987,760
Treasury stock, at cost - 22,958,514 shares at September 30, 2017, 19,759,614 shares at December 31, 2016, and 19,612,435 shares at September 30, 2016	(800,509)	(664,595)	(654,014)
Accumulated other comprehensive income (loss)	(39,596)	(55,659)	5,165
Retained earnings	534,997	351,767	300,702
Total shareholders' equity	2,997,078	2,927,924	2,906,659
Total liabilities and shareholders' equity	\$ 31,642,123	30,104,002	29,727,096

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AVERAGE BALANCES AND YIELDS/RATES (1)

(Unaudited)

(Dollars in thousands)

	2017				2016
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Interest Earning Assets					
Taxable investment securities ⁽²⁾	\$ 3,786,436	3,844,688	3,841,556	3,643,510	3,544,933
Yield	2.11 %	2.11	2.06	1.92	1.83
Tax-exempt investment securities ^{(2) (4)}	\$ 259	340	2,730	2,824	2,943
Yield (taxable equivalent)	7.86 %	6.87	5.81	5.82	5.96
Trading account assets	\$ 7,823	3,667	6,443	6,799	5,493
Yield	2.09 %	2.28	1.72	2.63	0.93
Commercial loans ^{(3) (4)}	\$ 19,059,936	19,137,733	19,043,384	18,812,659	18,419,484
Yield	4.41 %	4.27	4.16	4.05	4.03
Consumer loans ⁽³⁾	\$ 5,440,765	5,215,258	4,992,683	4,911,149	4,720,082
Yield	4.55 %	4.49	4.40	4.27	4.30
Allowance for loan losses	\$ (249,248)	(251,219)	(253,927)	(253,713)	(255,675)
Loans, net ⁽³⁾	\$ 24,251,453	24,101,772	23,782,140	23,470,095	22,883,891
Yield	4.49 %	4.36	4.25	4.14	4.14
Mortgage loans held for sale	\$ 52,177	52,224	46,554	77,652	87,524
Yield	3.88 %	3.87	4.01	3.51	3.32
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	\$ 543,556	561,503	654,322	982,355	998,565
Yield	1.23 %	1.00	0.77	0.49	0.48
Federal Home Loan Bank and Federal Reserve Bank stock ⁽⁵⁾	\$ 175,263	177,323	170,844	121,079	70,570
Yield	3.50 %	2.99	3.42	3.75	4.99
Total interest earning assets	\$ 28,816,967	28,741,517	28,504,589	28,304,314	27,593,919
Yield	4.11 %	3.99	3.88	3.73	3.71
Interest Bearing Liabilities					
Interest bearing demand deposits	\$ 4,868,372	4,837,053	4,784,329	4,488,135	4,274,117
Rate	0.27 %	0.23	0.19	0.16	0.16
Money market accounts	\$ 7,528,036	7,427,562	7,424,627	7,359,067	7,227,030
Rate	0.34 %	0.32	0.31	0.29	0.29
Savings deposits	\$ 803,184	805,019	909,660	908,725	797,961
Rate	0.03 %	0.04	0.11	0.12	0.07
Time deposits under \$100,000	\$ 1,183,582	1,202,746	1,215,593	1,229,809	1,248,294
Rate	0.68 %	0.67	0.64	0.64	0.64
Time deposits over \$100,000	\$ 2,067,347	2,040,924	2,029,713	2,014,564	2,030,242
Rate	0.97 %	0.94	0.92	0.90	0.88
Non maturing brokered deposits	\$ 547,466	564,043	619,627	638,779	634,596
Rate	0.73 %	0.54	0.41	0.31	0.29
Brokered time deposits	\$ 983,423	815,515	761,159	742,153	775,143
Rate	1.16 %	0.94	0.92	0.90	0.88
Total interest bearing deposits	\$ 17,981,410	17,692,862	17,744,708	17,381,232	16,987,383
Rate	0.46 %	0.41	0.39	0.37	0.37
Federal funds purchased and securities sold under repurchase agreements	\$ 191,585	183,400	176,854	219,429	247,378
Rate	0.08 %	0.10	0.09	0.08	0.09
Long-term debt	\$ 1,985,175	2,270,452	2,184,072	2,190,716	2,114,193
Rate	2.81 %	2.83	2.83	2.65	2.71
Total interest bearing liabilities	\$ 20,158,170	20,146,714	20,105,634	19,791,377	19,348,954
Rate	0.69 %	0.68	0.65	0.62	0.63
Non-interest bearing demand deposits	\$ 7,305,508	7,298,845	7,174,146	7,280,033	7,042,908
Effective cost of funds	0.48 %	0.48	0.46	0.44	0.44
Net interest margin	3.63 %	3.51	3.42	3.29	3.27
Taxable equivalent adjustment	\$ 283	298	309	322	330

(1) Yields and rates are annualized.

(2) Excludes net unrealized gains and losses.

(3) Average loans are shown net of unearned income. Non-performing loans are included.

(4) Reflects taxable-equivalent adjustments, using the statutory federal income tax rate of 35%, in adjusting interest on tax-exempt loans and investment securities to a taxable-equivalent basis.

(5) Included as a component of Other Assets on the consolidated balance sheet

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NON-PERFORMING LOANS COMPOSITION
(Unaudited)

(Dollars in thousands)

Loan Type	Total Non-performing Loans September 30, 2017	Total Non-performing Loans June 30, 2017	3Q17 vs. 2Q17 % change ⁽¹⁾	Total Non-performing Loans September 30, 2016	3Q17 vs. 3Q16 % change
Multi-Family	\$ 1,096	1,621	(128.5) %	\$ 3,912	(72.0)
Hotels	-	376	(396.7)	346	nm %
Office Buildings	234	326	(112.0)	931	(74.9)
Shopping Centers	327	161	409.1	354	(7.6)
Warehouses	38	41	(29.0)	1,108	(96.6)
Other Investment Property	367	1,187	(274.1)	1,833	(80.0)
Total Investment Properties	2,062	3,712	(176.4)	8,484	(75.7)
1-4 Family Construction	-	-	-	304	nm
1-4 Family Investment Mortgage	2,712	8,535	(270.7)	7,658	(64.6)
Total 1-4 Family Properties	2,712	8,535	(270.7)	7,962	(65.9)
Commercial Development	47	269	(327.4)	400	(88.3)
Residential Development	4,720	5,585	(61.4)	9,190	(48.6)
Land Acquisition	2,161	5,077	(227.9)	6,672	(67.6)
Land and Development	6,928	10,931	(145.3)	16,262	(57.4)
Total Commercial Real Estate	11,702	23,178	(196.4)	32,708	(64.2)
Commercial, Financial, and Agricultural Owner-Occupied	58,139	69,550	(65.1)	49,874	16.6
	3,960	24,918	(333.7)	21,443	(81.5)
Total Commercial & Industrial	62,099	94,468	(135.9)	71,317	(12.9)
Home Equity Lines	15,638	20,648	(96.3)	19,815	(21.1)
Consumer Mortgages	6,332	18,035	(257.4)	21,284	(70.2)
Other Consumer Loans	2,067	2,988	(122.3)	3,031	(31.8)
Total Consumer	24,037	41,671	(167.9)	44,130	(45.5)
Total	\$ 97,838	159,317	(153.1) %	\$ 148,155	(34.0) %

(1) Percentage change is annualized.

LOANS OUTSTANDING BY TYPE COMPARISON
(Unaudited)

(Dollars in thousands)

Loan Type	Total Loans September 30, 2017	Total Loans June 30, 2017	3Q17 vs. 2Q17 % change ⁽¹⁾	Total Loans September 30, 2016	3Q17 vs. 3Q16 % change
Multi-Family	\$ 1,636,449	1,724,917	(20.3) %	\$ 1,553,275	5.4 %
Hotels	832,990	835,110	(1.0)	774,873	7.5
Office Buildings	1,576,672	1,567,984	2.2	1,575,190	0.1
Shopping Centers	840,367	864,868	(11.2)	917,284	(8.4)
Warehouses	494,570	467,369	23.1	522,170	(5.3)
Other Investment Property	544,048	575,415	(21.6)	555,839	(2.1)
Total Investment Properties	5,925,096	6,035,663	(7.3)	5,898,631	0.4
1-4 Family Construction	195,273	198,419	(6.3)	193,791	0.8
1-4 Family Investment Mortgage	599,342	637,201	(23.6)	727,897	(17.7)
Total 1-4 Family Properties	794,615	835,620	(19.5)	921,688	(13.8)
Commercial Development	66,521	66,055	2.8	77,807	(14.5)
Residential Development	117,878	118,032	(0.5)	149,366	(21.1)
Land Acquisition	322,814	365,657	(46.5)	425,058	(24.1)
Land and Development	507,213	549,744	(30.7)	652,231	(22.2)
Total Commercial Real Estate	7,226,924	7,421,027	(10.4)	7,472,550	(3.3)
Commercial, Financial, and Agricultural Owner-Occupied	6,961,709	6,993,817	(1.8)	6,537,657	6.5
	4,765,433	4,750,335	1.3	4,471,365	6.6
Total Commercial & Industrial	11,727,142	11,744,152	(0.6)	11,009,022	6.5
Home Equity Lines	1,528,889	1,563,167	(8.7)	1,638,844	(6.7)
Consumer Mortgages	2,557,680	2,470,665	14.0	2,243,154	14.0
Credit Cards	225,726	225,900	(0.3)	232,309	(2.8)
Other Consumer Loans	1,245,277	1,031,639	82.2	693,204	79.6
Total Consumer	5,557,572	5,291,371	20.0	4,807,511	15.6
Unearned Income	(24,278)	(26,038)	(26.8)	(26,196)	(7.3)
Total	\$ 24,487,360	24,430,512	0.9 %	\$ 23,262,887	5.3 %

(1) Percentage change is annualized.

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CREDIT QUALITY DATA

(Unaudited)

(Dollars in thousands)

	2017			2016		3rd Quarter
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	'17 vs. '16 Change
Non-performing Loans	\$ 97,838	159,317	158,366	153,378	148,155	(34.0) %
Impaired Loans Held for Sale ⁽¹⁾	30,197	127	8,442	-	2,473	nm
Other Real Estate	10,551	19,476	20,425	22,308	28,438	(62.9)
Non-performing Assets	138,586	178,920	187,233	175,686	179,066	(22.6)
Allowance for loan losses	249,683	248,095	253,514	251,758	253,817	(1.6)
Net Charge-Offs - Quarter	38,099	15,678	6,919	8,319	6,930	
Net Charge-Offs - YTD	60,695	22,597	6,919	28,739	20,420	
Net Charge-Offs / Average Loans - Quarter ⁽²⁾	0.62 %	0.26	0.12	0.14	0.12	
Net Charge-Offs / Average Loans - YTD ⁽²⁾	0.33	0.19	0.12	0.12	0.12	
Non-performing Loans / Loans	0.40	0.65	0.65	0.64	0.64	
Non-performing Assets / Loans, Other Loans Held for Sale & ORE Allowance / Loans	0.57	0.73	0.77	0.74	0.77	
Allowance / Non-performing Loans	1.02	1.02	1.05	1.06	1.09	
Allowance / Non-performing Loans	255.20	155.72	160.08	164.14	171.32	
Allowance / Non-performing Loans ⁽³⁾	336.35	217.07	204.94	202.01	198.94	
Past Due Loans over 90 days and Still Accruing	\$ 5,685	4,550	2,777	3,135	5,358	6.1
As a Percentage of Loans Outstanding	0.02 %	0.02	0.01	0.01	0.02	
Total Past Due Loans and Still Accruing	\$ 84,853	66,788	62,137	65,106	61,781	37.3
As a Percentage of Loans Outstanding	0.35 %	0.27	0.26	0.27	0.27	
Accruing Troubled Debt Restructurings (TDRs)	\$ 166,918	167,395	172,421	195,776	201,896	(17.3)

(1) Represent only impaired loans that have been specifically identified to be sold. Impaired loans held for sale are carried at the lower of cost or fair value, less costs to sell, based primarily on estimated sales proceeds net of selling costs.

(2) Ratio is annualized.

(3) Excludes non-performing loans for which the expected loss has been charged off.

SELECTED CAPITAL INFORMATION ⁽¹⁾

(Unaudited)

(Dollars in thousands)

	September 30, 2017	December 31, 2016	September 30, 2016
Tier 1 Capital	\$ 2,849,579	2,685,880	2,620,379
Total Risk-Based Capital	3,362,126	3,201,268	3,139,465
Common Equity Tier 1 Ratio (transitional)	10.04 %	9.96	9.96
Common Equity Tier 1 Ratio (fully phased-in)	9.87	9.51	9.48
Tier 1 Capital Ratio	10.41	10.07	10.05
Total Risk-Based Capital Ratio	12.28	12.01	12.04
Tier 1 Leverage Ratio	9.34	8.99	8.98
Common Equity as a Percentage of Total Assets ⁽²⁾	9.07	9.31	9.35
Tangible Common Equity as a Percentage of Tangible Assets ⁽³⁾	8.88	9.09	9.28
Tangible Common Equity as a Percentage of Risk Weighted Assets ⁽³⁾	10.24	10.24	10.57
Book Value Per Common Share ⁽⁴⁾	\$ 24.01	22.92	22.89
Tangible Book Value Per Common Share ⁽³⁾	23.44	22.32	22.69

(1) Current quarter regulatory capital information is preliminary.

(2) Common equity consists of Total Shareholders' Equity less Preferred Stock.

(3) Excludes the carrying value of goodwill and other intangible assets from common equity and total assets

(4) Book Value Per Common Share consists of Total Shareholders' Equity less Preferred Stock divided by total common shares outstanding.