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**Synovus Announces Earnings for the Second Quarter 2018
Diluted Earnings per Share of \$0.91, up 52.7% vs. \$0.60 in 2Q17**

COLUMBUS, Ga., July 24, 2018 – Synovus Financial Corp. (NYSE: SNV) today reported financial results for the quarter ended June 30, 2018.

Second Quarter Highlights

- Net income available to common shareholders was \$108.6 million or \$0.91 per diluted share as compared to \$100.6 million or \$0.84 per diluted share for the first quarter 2018 and \$73.4 million or \$0.60 per diluted share for the second quarter 2017.
 - Adjusted earnings per diluted share for the second quarter 2018 were \$0.92, up 7.8% from the first quarter 2018 and a 52.6% increase from the second quarter 2017.
- Return on average assets was 1.42%, up 8 basis points from the previous quarter and up 42 basis points from the second quarter 2017.
- Return on average common equity was 15.39%, up 77 basis points from the previous quarter and up 505 basis points from the second quarter 2017.
 - Adjusted return on average common equity was 15.59%, an improvement of 510 basis points from the second quarter 2017.
 - Adjusted return on average tangible common equity was 15.97%, an increase of 522 basis points from the second quarter 2017.
- Total loans ended the quarter at \$25.13 billion, up \$251.0 million or 4.0% annualized from the previous quarter and up \$703.5 million or 2.9% as compared to the second quarter 2017.
- Total average deposits grew \$480.0 million or 7.5% annualized from the previous quarter and \$1.28 billion or 5.1% versus the second quarter 2017.
- Total ending deposits increased \$189.2 million or 2.9% from the previous quarter and increased \$1.22 billion or 4.9% from the second quarter 2017.
- Total revenues¹ were \$359.3 million, an increase of 12.3% from the prior-year quarter.
- Net interest margin was 3.86%, up 8 basis points from the previous quarter and up 35 basis points from the second quarter 2017.
- Efficiency ratio was 56.78%, down 38 basis points from the previous quarter and down 312 basis points from the prior-year quarter.
- Credit quality metrics remained favorable, with a non-performing asset ratio of 50 basis points, down 3 basis points from the previous quarter and down 23 basis points from the second quarter 2017.
- The effective tax rate in the second quarter of 2018 was 21.8% compared to 35.5% in the prior-year quarter.

¹ Total revenues consist of net interest income and non-interest income excluding investment securities gains/(losses).

- On June 21, Synovus completed a public offering of \$200 million of Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series D.

“This was another solid quarter of performance for Synovus, with strong earnings and revenue growth,” said Kessel Stelling, Synovus chairman and CEO. “During the first half of the year, we successfully completed our transition to a unified brand, completed a public offering of \$200 million of Series D Preferred Stock, and were ranked among American Banker’s most reputable banks for the fourth consecutive year. We are energized about the strong momentum going into the second half of the year as we focus on growing relationships and strengthening our communities.”

Balance Sheet

- Total average loans were \$24.95 billion, up \$93.9 million or 1.5% annualized from the previous quarter and \$596.3 million or 2.4% as compared to the second quarter 2017.
- Total loans ended the quarter at \$25.13 billion, up \$251.0 million or 4.0% annualized from the previous quarter and up \$703.5 million or 2.9% as compared to the second quarter 2017.
 - Commercial and industrial loans grew by \$173.6 million or 5.8% annualized from the previous quarter and \$532.5 million or 4.5% as compared to the second quarter 2017.
 - Consumer loans grew by \$267.8 million or 18.0% annualized from the previous quarter and \$945.8 million or 17.9% as compared to the second quarter 2017.
 - Commercial real estate loans declined by \$191.6 million or 11.2% annualized from the previous quarter and declined \$778.1 million or 10.5% as compared to the second quarter 2017.
- Total average deposits were \$26.27 billion, up \$480.0 million or 7.5% annualized from the previous quarter and \$1.28 billion or 5.1% as compared to the second quarter 2017.

Core Performance

- Total revenues¹ were \$359.3 million, up \$17.9 million or 5.3% from the previous quarter and \$39.5 million or 12.3% from the second quarter 2017.
- Net interest income was \$284.6 million, up \$10.3 million or 3.8% from the previous quarter and up 13.3% from the second quarter 2017.
- Net interest margin was 3.86%, up 8 basis points from the previous quarter. Yield on earning assets was 4.46%, up 16 basis points from the previous quarter, and the effective cost of funds was 0.61%, up 8 basis points from the previous quarter.
- Total non-interest income was \$73.4 million, up \$6.3 million or 9.5% compared to the previous quarter and up \$4.7 million or 6.8% from second quarter 2017.
 - Adjusted non-interest income was \$74.7 million, up \$4.6 million or 6.6% from the previous quarter and up \$4.7 million or 6.7% as compared to the second quarter 2017.
- Core banking fees² were \$37.4 million, up \$1.6 million or 4.4% from the previous quarter and \$757 thousand or 2.1% year-over-year.
- Fiduciary and asset management fees, brokerage revenue, and insurance revenues were \$24.8 million, up \$1.5 million or 6.1% from the previous quarter and 19.1% from the prior-year quarter.

¹ Total revenues consist of net interest income and non-interest income excluding investment securities gains/(losses).

² Core banking fees include service charges on deposit accounts, card fees, letter of credit fees, ATM fee income, line of credit non-usage fees, gains from sales of government guaranteed loans, and miscellaneous other service charges.

- Mortgage banking income was \$4.8 million, down 4.1% from the previous quarter and down 16.3% from the second quarter 2017.
- Total non-interest expense was \$204.1 million, up \$8.9 million or 4.5% from the previous quarter and up 6.4% from the second quarter 2017.
 - Second quarter 2018 includes a \$2.3 million expense for a valuation adjustment to the Visa derivative, partially offset by a \$1.4 million benefit from recovery of litigation settlement expenses.
- Adjusted non-interest expense was \$202.7 million, up \$4.9 million or 2.5% from the previous quarter and \$11.3 million or 5.9% from the second quarter 2017.
 - Employment expense of \$111.9 million declined 1.6% from the previous quarter and increased 6.3% from the second quarter 2017.
 - Occupancy and equipment expense of \$32.7 million increased 3.7% from the previous quarter and increased 9.1% from the prior-year quarter.
 - Other expenses of \$25.2 million increased \$4.8 million or 23.3% from the previous quarter and increased 27.7% from the second quarter 2017.
 - Efficiency ratio was 56.78%, compared to 57.16% the previous quarter and 59.90% in the second quarter 2017.
 - Adjusted efficiency ratio was 56.41%, an improvement of 101 basis points from the first quarter 2018 and 315 basis points from the second quarter 2017.

Credit Quality

- Non-performing loans were \$117.3 million at June 30, 2018, down \$2.8 million from March 31, 2018, and down \$42.0 million or 26.4% from June 30, 2017. The non-performing loan ratio was 0.47% at June 30, 2018, compared to 0.48% at March 31, 2018, and 0.65% at June 30, 2017.
- Total non-performing assets were \$126.3 million at June 30, 2018, down \$4.8 million from March 31, 2018 and down \$52.6 million or 29.4% from June 30, 2017. The non-performing asset ratio was 0.50% at June 30, 2018, as compared to 0.53% at March 31, 2018, and 0.73% at June 30, 2017.
- Net charge-offs were \$17.8 million in the second quarter 2018, up \$13.6 million from \$4.3 million in the previous quarter and up \$2.2 million from \$15.7 million in the second quarter 2017. The annualized net charge-off ratio was 0.29% in the second quarter as compared to 0.07% in the previous quarter and 0.26% in the second quarter 2017.
- Total delinquencies (consisting of loans 30 or more days past due and still accruing) remained low at 0.22% of total loans at June 30, 2018, unchanged from the previous quarter and down 5 basis points from June 30, 2017.

Capital

- During the second quarter 2018, Synovus repurchased \$50.0 million in common stock, as part of the previously announced share repurchase program of up to \$150 million.
- On June 21, Synovus completed a public offering of \$200 million of Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series D.
- Common Equity Tier 1 ratio was 10.11% at June 30, 2018, compared to 10.09% at March 31, 2018.
- Tier 1 Capital ratio was 11.25% at June 30, 2018, compared to 10.53% at March 31, 2018.
- Total Risk Based Capital ratio was 13.07% at June 30, 2018, compared to 12.40% at March 31, 2018.
- Tier 1 Leverage ratio was 10.03% at June 30, 2018, compared to 9.37% at March 31, 2018.
- Tangible Common Equity ratio was 8.77% at June 30, 2018, compared to 8.79% at March 31, 2018.

Second Quarter Earnings Conference Call

Synovus will host an earnings highlights conference call at 8:30 a.m. EDT on July 24, 2018. 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. 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 250 branches in Georgia, Alabama, South Carolina, Florida, and Tennessee. Synovus Bank, a wholly owned subsidiary of Synovus, has been recognized as one of the country's 10 "Most Reputable Banks" by *American Banker* and the Reputation Institute for four consecutive years. Synovus is on the web at synovus.com, and on [Twitter](#), [Facebook](#), [LinkedIn](#), and [Instagram](#).

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, capital management 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, 2017, 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.

Non-GAAP Financial Measures

The measures entitled adjusted non-interest income; adjusted non-interest expense; adjusted efficiency ratio; adjusted earnings per diluted share; adjusted return on average common equity; adjusted return on average tangible common equity; tangible common equity ratio; and common equity Tier 1 (CET1) ratio (fully phased-in) are not measures recognized under GAAP and therefore are considered non-GAAP financial measures. The most comparable GAAP measures to these measures are total non-interest income; total non-interest expense; efficiency ratio; earnings per diluted common share; return on average common equity; the ratio of total shareholders' equity to total assets; and the CET1 ratio, respectively.

Management believes that these non-GAAP financial measures provide meaningful additional information about Synovus to assist management and investors in evaluating Synovus’ operating results, financial strength, the performance of its business, and the strength of its capital position. However, these non-GAAP financial measures have inherent limitations as analytical tools and should not be considered in isolation or as a substitute for analyses of operating results or capital position as reported under GAAP. The 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. Adjusted non-interest income is a measure used by management to evaluate total revenue and non-interest income exclusive of net investment securities gains/losses and changes in fair value of private equity investments, net. 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. Adjusted earnings per diluted share and adjusted return on average common equity are measures used by management to evaluate operating results exclusive of items that are not indicative of ongoing operations and impact period-to-period comparisons. The adjusted return on average tangible common equity is a measure used by management to compare Synovus' performance with other financial institutions because it calculates the return available to common shareholders without the impact of intangible assets and their related amortization, thereby allowing management to evaluate the performance of the business consistently. 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. The computations of these measures are set forth in the tables below.

Reconciliation of Non-GAAP Financial Measures

<i>(dollars in thousands)</i>	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>
Adjusted non-interest income			
Total non-interest income	\$73,387	\$67,046	\$68,701
Add: Investment securities losses, net	1,296	-	1
Add: Decrease in fair value of private equity investments, net	<u>37</u>	<u>3,056</u>	<u>1,352</u>
Adjusted non-interest income	<u>\$74,720</u>	<u>\$70,102</u>	<u>\$70,054</u>
Adjusted non-interest expense			
Total non-interest expense	\$ 204,057	\$ 195,179	\$191,747
Add: Litigation settlement/contingency expense	1,400	2,626	-
Subtract/add: Restructuring charges, net	(103)	315	(13)
Subtract: Amortization of intangibles	(292)	(292)	(292)
Subtract: Valuation adjustment to Visa derivative	<u>(2,328)</u>	-	-
Adjusted non-interest expense	<u>\$ 202,734</u>	<u>\$ 197,828</u>	<u>\$191,442</u>
Adjusted efficiency ratio			
Adjusted non-interest expense	\$ 202,734	\$ 197,828	\$191,442
Net interest income	284,577	274,284	251,097
Add: Tax equivalent adjustment	120	116	298
Add: Total non-interest income	73,387	67,046	68,701
Add: Investment securities losses, net	<u>1,296</u>	-	<u>1</u>
Total FTE revenues	359,380	341,446	320,097
Add: Decrease in fair value of private equity investments, net	<u>37</u>	<u>3,056</u>	<u>1,352</u>
Adjusted total revenues	\$ 359,417	\$ 344,502	\$321,449
Efficiency ratio	56.78%	57.16%	59.90%
Adjusted efficiency ratio	<u>56.41%</u>	<u>57.42%</u>	<u>59.56%</u>

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

(in thousands, except per share data)	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>
Adjusted earnings per diluted share			
Net income available to common shareholders	\$ 108,622	\$ 100,607	\$73,444
Subtract/add: Income tax expense related to effects of State Tax Reform	(608)	1,325	-
Subtract: Litigation settlement/contingency expense	(1,400)	(2,626)	-
Add/subtract: Restructuring charges, net	103	(315)	13
Add: Amortization of intangibles	292	292	292
Add: Valuation adjustment to Visa derivative	2,328	-	-
Add: Investment securities losses, net	1,296	-	1
Add: Decrease in fair value of private equity investments, net	37	3,056	1,352
Subtract: Tax effect of adjustments	<u>(624)</u>	<u>(96)</u>	<u>(613)</u>
Adjusted net income available to common shareholders	\$ 110,046	\$ 102,243	\$74,489
Weighted average common shares outstanding, diluted	119,139	119,321	123,027
Adjusted earnings per diluted share	<u>\$0.92</u>	<u>\$0.86</u>	<u>\$0.61</u>

Reconciliation of Non-GAAP Financial Measures, continued

(dollars in thousands)

	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>
Adjusted return on average common equity and adjusted return on average tangible common equity			
Net income available to common shareholders	\$ 108,622	\$ 100,607	\$73,444
Subtract/add: Income tax expense related to effects of State Tax Reform	(608)	1,325	-
Subtract: Litigation settlement/contingency expense	(1,400)	(2,626)	-
Add/subtract: Restructuring charges, net	103	(315)	13
Add: Amortization of intangibles	292	292	292
Add: Valuation adjustment to Visa derivative	2,328	-	-
Add: Investment securities losses, net	1,296	-	1
Add: Decrease in fair value of private equity investments, net	37	3,056	1,352
Subtract: Tax effect of adjustments	<u>(624)</u>	<u>(96)</u>	<u>(613)</u>
Adjusted net income available to common shareholders	\$ 110,046	\$ 102,243	\$74,489
Net income annualized	\$441,339	\$414,652	\$298,775
Total average shareholders' equity less preferred stock	\$2,831,368	\$2,790,878	\$2,849,069
Subtract: Goodwill	(57,315)	(57,315)	(57,018)
Subtract: Other intangibles assets, net	<u>(10,555)</u>	<u>(10,915)</u>	<u>(11,966)</u>
Total average tangible shareholders' equity less preferred stock	\$2,763,498	\$2,722,648	\$2,780,085
Adjusted return on average common equity	<u>15.59%</u>	<u>14.86%</u>	<u>10.49%</u>
Adjusted return on average tangible common equity	<u>15.97%</u>	<u>15.23%</u>	<u>10.75%</u>

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

(dollars in thousands)

	<u>2Q18</u>	<u>1Q18</u>	<u>2Q17</u>
Tangible common equity ratio			
Total assets	\$31,740,305	\$31,501,028	\$30,687,966
Subtract: Goodwill	(57,315)	(57,315)	(57,092)
Subtract: Other intangible assets, net	<u>(10,458)</u>	<u>(10,750)</u>	<u>(11,843)</u>
Tangible assets	<u>\$ 31,672,532</u>	<u>\$ 31,432,963</u>	<u>\$30,619,031</u>
Total shareholders' equity	\$ 3,167,694	\$ 2,956,495	\$ 2,997,947
Subtract: Goodwill	(57,315)	(57,315)	(57,092)
Subtract: Other intangible assets, net	(10,458)	(10,750)	(11,843)
Subtract: Preferred Stock	<u>(321,118)</u>	<u>(125,980)</u>	<u>(125,980)</u>
Tangible common equity	<u>\$ 2,778,803</u>	<u>\$ 2,762,450</u>	<u>\$ 2,803,032</u>
Total shareholders' equity to total assets ratio	9.98%	9.39%	9.77%
Tangible common equity ratio	8.77%	8.79%	9.15%

Common equity Tier 1 (CET1) ratio (fully phased-in)

Common Equity Tier 1 (CET1)	\$2,838,616
Subtract: Adjustment related to capital components	<u>(3,599)</u>
CET1 (fully phased-in)	<u>\$ 2,835,017</u>
Total risk-weighted assets	\$28,070,857
Total risk-weighted assets (fully phased-in)	\$ 28,197,301
Common equity Tier 1 (CET 1) ratio	10.11%
Common Equity Tier 1 (CET1) ratio (fully phased-in)	10.05%

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INCOME STATEMENT DATA

(Unaudited)

(Dollars in thousands, except per share data)

Six Months Ended

	June 30,		
	2018	2017	Change
Interest income	\$ 642,968	557,911	15.2 %
Interest expense	84,107	66,887	25.7
Net interest income	558,861	491,024	13.8
Provision for loan losses	24,566	18,934	29.7
Net interest income after provision for loan losses	534,295	472,090	13.2
Non-interest income:			
Service charges on deposit accounts	39,938	40,370	(1.1)
Fiduciary and asset management fees	27,419	24,676	11.1
Card fees	21,032	19,885	5.8
Brokerage revenue	17,596	14,436	21.9
Mortgage banking income	9,887	11,548	(14.4)
Income from bank-owned life insurance	7,949	6,328	25.6
Investment securities (losses) gains, net	(1,296)	7,667	nm
Decrease in fair value of private equity investments, net	(3,093)	(3,166)	nm
Other fee income	9,877	11,033	(10.5)
Other non-interest income	11,124	7,762	43.3
Total non-interest income	140,433	140,539	(0.1)
Non-interest expense:			
Salaries and other personnel expense	225,583	212,404	6.2
Net occupancy and equipment expense	64,134	59,264	8.2
Third-party processing expense	29,012	26,223	10.6
FDIC insurance and other regulatory fees	13,335	13,645	(2.3)
Professional fees	11,789	12,907	(8.7)
Advertising expense	10,312	11,258	(8.4)
Foreclosed real estate expense, net	749	3,582	(79.1)
Earnout liability adjustments	-	1,707	nm
Amortization of intangibles	583	475	22.7
Valuation adjustment to Visa derivative	2,328	-	nm
Litigation settlement/contingency expense	(4,026)	-	nm
Restructuring charges, net	(212)	6,524	nm
Other operating expenses	45,647	41,144	10.9
Total non-interest expense	399,234	389,133	2.6
Income before income taxes	275,494	223,496	23.3
Income tax expense	61,146	75,635	(19.2)
Net income	214,348	147,861	45.0
Dividends on preferred stock	5,119	5,119	-
Net income available to common shareholders	\$ 209,229	142,742	46.6 %
Net income per common share, basic	\$ 1.77	1.17	51.2 %
Net income per common share, diluted	1.75	1.16	51.3
Cash dividends declared per common share	0.50	0.30	66.7
Return on average assets*	1.38 %	0.98	40 bps
Return on average common equity*	15.01	10.16	485
Weighted average common shares outstanding, basic	118,531	122,251	(3.0) %
Weighted average common shares outstanding, diluted	119,229	123,043	(3.1)

nm - not meaningful

bps - basis points

* - ratios are annualized

Synovus

INCOME STATEMENT DATA

(Unaudited)

(In thousands, except per share data)

	2018			2017		Second Quarter
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	'18 vs. '17 Change
Interest income	\$ 329,834	313,134	306,934	297,652	285,510	15.5 %
Interest expense	45,257	38,850	37,221	35,080	34,413	31.5
Net interest income	284,577	274,284	269,713	262,572	251,097	13.3
Provision for loan losses	11,790	12,776	8,565	39,686	10,260	14.9
Net interest income after provision for loan losses	272,787	261,508	261,148	222,886	240,837	13.3
Non-interest income:						
Service charges on deposit accounts	19,999	19,940	20,372	20,678	20,252	(1.2)
Fiduciary and asset management fees	13,983	13,435	13,195	12,615	12,524	11.6
Card fees	10,833	10,199	9,762	9,729	10,041	7.9
Brokerage revenue	8,900	8,695	7,758	7,511	7,210	23.4
Mortgage banking income	4,839	5,047	5,645	5,603	5,784	(16.3)
Income from bank-owned life insurance	3,733	4,217	3,900	3,232	3,272	14.1
Cabela's transaction fee	-	-	-	75,000	-	nm
Investment securities (losses) gains, net	(1,296)	-	-	(7,956)	(1)	nm
(Decrease)/increase in fair value of private equity investments, net	(37)	(3,056)	100	(27)	(1,352)	nm
Other fee income	5,259	4,618	4,042	5,094	6,164	(14.7)
Other non-interest income	7,174	3,951	4,578	3,956	4,807	49.2
Total non-interest income	73,387	67,046	69,352	135,435	68,701	6.8
Non-interest expense:						
Salaries and other personnel expense	111,863	113,720	111,243	109,675	105,213	6.3
Net occupancy and equipment expense	32,654	31,480	30,126	30,573	29,933	9.1
Third-party processing expense	15,067	13,945	14,827	13,659	13,620	10.6
FDIC insurance and other regulatory fees	6,543	6,793	6,288	7,078	6,875	(4.8)
Professional fees	6,284	5,505	6,183	7,141	7,551	(16.8)
Advertising expense	5,220	5,092	8,081	3,610	5,346	(2.4)
Foreclosed real estate expense, net	(107)	856	1,693	7,265	1,448	nm
Earnout liability adjustments	-	-	1,700	2,059	1,707	nm
Amortization of intangibles	292	292	292	292	292	-
Valuation adjustment to Visa derivative	2,328	-	-	-	-	nm
Loss on early extinguishment of debt	-	-	23,160	-	-	nm
Litigation settlement/contingency expense	(1,400)	(2,626)	300	401	-	nm
Restructuring charges, net	103	(315)	(29)	519	13	nm
Other operating expenses	25,210	20,437	22,670	23,374	19,749	27.7
Total non-interest expense	204,057	195,179	226,534	205,646	191,747	6.4
Income before income taxes	142,117	133,375	103,966	152,675	117,791	20.7
Income tax expense	30,936	30,209	74,361	54,668	41,788	(26.0)
Net income	111,181	103,166	29,605	98,007	76,003	46.3
Dividends on preferred stock	2,559	2,559	2,559	2,559	2,559	-
Net income available to common shareholders	\$ 108,622	100,607	27,046	95,448	73,444	47.9 %
Net income per common share, basic	\$ 0.92	0.85	0.23	0.79	0.60	52.7 %
Net income per common share, diluted	0.91	0.84	0.23	0.78	0.60	52.7
Cash dividends declared per common share	0.25	0.25	0.15	0.15	0.15	66.7
Return on average assets *	1.42 %	1.34	0.37	1.27	1.00	42 bps
Return on average common equity *	15.39	14.62	3.76	13.24	10.34	505
Weighted average common shares outstanding, basic	118,397	118,666	119,282	120,900	122,203	(3.1) %
Weighted average common shares outstanding, diluted	119,139	119,321	120,182	121,814	123,027	(3.2)

nm - not meaningful

bps - basis points

* - ratios are annualized

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BALANCE SHEET DATA (Unaudited)

(In thousands, except share data)

ASSETS

	June 30, 2018	December 31, 2017	June 30, 2017
Cash and due from banks	\$ 404,080	397,848	377,213
Interest bearing funds with Federal Reserve Bank	613,082	460,928	468,148
Interest earning deposits with banks	33,754	26,311	6,012
Federal funds sold and securities purchased under resale agreements	40,872	47,846	46,847
Cash and cash equivalents	1,091,788	932,933	898,220
Mortgage loans held for sale, at fair value	53,673	48,024	61,893
Investment securities available for sale, at fair value	3,929,962	3,987,069	3,827,058
Loans, net of deferred fees and costs	25,134,056	24,787,464	24,430,512
Allowance for loan losses	(251,725)	(249,268)	(248,095)
Loans, net	24,882,331	24,538,196	24,182,417
Cash surrender value of bank-owned life insurance	547,261	540,958	458,753
Premises and equipment, net	428,633	426,813	416,364
Goodwill	57,315	57,315	57,092
Other intangible assets	10,458	11,254	11,843
Deferred tax asset, net	182,983	165,788	320,403
Other assets	555,901	513,487	453,923
Total assets	\$ 31,740,305	31,221,837	30,687,966

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:			
Non-interest bearing deposits	\$ 7,630,491	7,686,339	7,363,476
Interest bearing deposits, excluding brokered deposits	16,961,187	16,500,436	16,387,032
Brokered deposits	1,851,010	1,961,125	1,468,308
Total deposits	26,442,688	26,147,900	25,218,816
Federal funds purchased and securities sold under repurchase agreements	207,580	161,190	150,379
Long-term debt	1,656,647	1,706,138	2,107,245
Other liabilities	265,696	245,043	213,579
Total liabilities	28,572,611	28,260,271	27,690,019

Shareholders' equity:

Series D Preferred Stock - no par value, 8,000,000 shares outstanding at June 30, 2018	195,138	-	-
Series C Preferred Stock - no par value, 5,200,000 shares outstanding at June 30, 2018, December 31, 2017, and June 30, 2017	125,980	125,980	125,980
Common stock - \$1.00 par value. 117,841,369 shares outstanding at June 30, 2018, 118,897,295 shares outstanding at December 31, 2017, and 121,661,092 shares outstanding at June 30, 2017	143,078	142,678	142,499
Additional paid-in capital	3,045,014	3,043,129	3,029,754
Treasury stock, at cost - 25,236,604 shares at June 30, 2018, 23,780,154 shares at December 31, 2017, and 20,837,814 shares at June 30, 2017	(916,484)	(839,674)	(709,944)
Accumulated other comprehensive loss	(125,720)	(54,754)	(47,865)
Retained earnings	700,688	544,207	457,523
Total shareholders' equity	3,167,694	2,961,566	2,997,947
Total liabilities and shareholders' equity	\$ 31,740,305	31,221,837	30,687,966

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AVERAGE BALANCES AND YIELDS/RATES (1)

(Unaudited)

(Dollars in thousands)

	2018			2017	
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Interest Earning Assets					
Taxable investment securities ⁽²⁾	\$ 4,077,564	4,097,162	3,937,278	3,786,436	3,844,688
Yield	2.34 %	2.34	2.29	2.11	2.11
Tax-exempt investment securities ^{(2) (4)}	\$ 115	140	180	259	340
Yield (taxable equivalent)	6.87 %	6.57	7.97	7.86	6.87
Trading account assets ⁽⁵⁾	\$ 23,772	8,167	7,360	7,823	3,667
Yield	2.79 %	2.66	2.78	2.09	2.28
Commercial loans ^{(3) (4)}	\$ 18,857,271	18,963,515	18,935,774	19,059,936	19,137,733
Yield	4.85 %	4.64	4.49	4.41	4.27
Consumer loans ⁽³⁾	\$ 6,092,899	5,899,015	5,704,629	5,440,765	5,215,258
Yield	4.76 %	4.71	4.54	4.55	4.49
Allowance for loan losses	\$ (257,966)	(251,635)	(252,319)	(249,248)	(251,219)
Loans, net ⁽³⁾	\$ 24,692,204	24,610,895	24,388,084	24,251,453	24,101,772
Yield	4.88 %	4.70	4.55	4.49	4.36
Mortgage loans held for sale	\$ 50,366	38,360	45,353	52,177	52,224
Yield	4.42 %	3.95	3.96	3.88	3.87
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	\$ 724,537	516,575	922,296	543,556	561,503
Yield	1.77 %	1.48	1.31	1.23	1.00
Federal Home Loan Bank and Federal Reserve Bank stock ⁽⁵⁾	\$ 165,845	177,381	159,455	175,263	177,323
Yield	4.63 %	3.39	4.03	3.50	2.99
Total interest earning assets	\$ 29,734,403	29,448,680	29,460,006	28,816,967	28,741,517
Yield	4.46 %	4.31	4.15	4.11	3.99
Interest Bearing Liabilities					
Interest bearing demand deposits	\$ 5,001,826	5,032,000	4,976,239	4,868,372	4,837,053
Rate	0.35 %	0.31	0.28	0.27	0.23
Money market accounts	\$ 7,791,107	7,561,554	7,514,992	7,528,036	7,427,562
Rate	0.55 %	0.43	0.36	0.34	0.32
Savings deposits	\$ 829,800	811,587	804,853	803,184	805,019
Rate	0.03 %	0.03	0.03	0.03	0.04
Time deposits under \$100,000	\$ 1,161,890	1,143,780	1,166,413	1,183,582	1,202,746
Rate	0.82 %	0.71	0.70	0.68	0.67
Time deposits over \$100,000	\$ 2,021,084	1,895,545	2,004,031	2,067,347	2,040,924
Rate	1.22 %	1.02	0.99	0.97	0.94
Non-maturing brokered deposits	\$ 262,976	424,118	546,413	547,466	564,043
Rate	1.94 %	1.14	0.81	0.73	0.54
Brokered time deposits	\$ 1,659,941	1,527,793	1,651,920	983,423	815,515
Rate	1.85 %	1.75	1.63	1.16	0.94
Total interest bearing deposits	\$ 18,728,624	18,396,377	18,664,861	17,981,410	17,692,862
Rate	0.70 %	0.58	0.54	0.46	0.41
Federal funds purchased and securities sold under repurchase agreements	\$ 210,679	202,226	184,369	191,585	183,400
Rate	0.38 %	0.21	0.15	0.08	0.10
Long-term debt	\$ 1,852,094	2,127,994	1,713,982	1,985,175	2,270,452
Rate	2.66 %	2.32	2.67	2.81	2.83
Total interest bearing liabilities	\$ 20,791,397	20,726,597	20,563,212	20,158,170	20,146,714
Rate	0.87 %	0.76	0.72	0.69	0.68
Non-interest bearing demand deposits	\$ 7,539,451	7,391,695	7,621,147	7,305,508	7,298,845
Effective cost of funds	0.61 %	0.53	0.50	0.48	0.48
Net interest margin	3.86 %	3.78	3.65	3.63	3.51
Taxable equivalent adjustment	\$ 120	116	234	283	298

(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 (21% in 2018 and 35% in 2017), 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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LOANS OUTSTANDING BY TYPE (Unaudited)

(Dollars in thousands)

Loan Type	Total Loans June 30, 2018	Total Loans March 31, 2018	2Q18 vs. 1Q18 % change ⁽¹⁾	Total Loans June 30, 2017	2Q18 vs. 2Q17 % change
Commercial, Financial, and Agricultural Owner-Occupied	\$ 7,271,080	7,191,531	4.4 %	\$ 6,993,817	4.0 %
Total Commercial & Industrial	12,275,472	12,101,917	5.8	11,742,945	4.5
Multi-Family	1,358,211	1,479,573	(32.9)	1,724,917	(21.3)
Hotels	755,125	751,232	2.1	835,110	(9.6)
Office Buildings	1,429,166	1,464,473	(9.7)	1,539,494	(7.2)
Shopping Centers	811,186	782,580	14.7	864,868	(6.2)
Warehouses	602,707	583,645	13.1	495,860	21.5
Other Investment Property	553,201	557,547	(3.1)	575,415	(3.9)
Total Investment Properties	5,509,596	5,619,050	(7.8)	6,035,664	(8.7)
1-4 Family Construction	177,140	188,939	(25.0)	198,419	(10.7)
1-4 Family Investment Mortgage	543,570	569,965	(18.6)	638,407	(14.9)
Total 1-4 Family Properties	720,710	758,904	(20.2)	836,826	(13.9)
Commercial Development	61,375	65,371	(24.5)	66,055	(7.1)
Residential Development	100,246	104,137	(15.0)	118,032	(15.1)
Land Acquisition	252,244	288,265	(50.1)	365,657	(31.0)
Land and Development	413,865	457,773	(38.5)	549,744	(24.7)
Total Commercial Real Estate	6,644,171	6,835,727	(11.2)	7,422,234	(10.5)
Consumer Mortgages	2,750,935	2,663,371	13.2	2,470,665	11.3
Home Equity Lines	1,453,855	1,472,471	(5.1)	1,563,167	(7.0)
Credit Cards	238,424	226,713	20.7	225,900	5.5
Other Consumer Loans	1,793,916	1,606,799	46.7	1,031,639	73.9
Total Consumer	6,237,130	5,969,354	18.0	5,291,371	17.9
Unearned Income	(22,717)	(23,961)	(20.8)	(26,038)	(12.8)
Total	\$ 25,134,056	24,883,037	4.0 %	\$ 24,430,512	2.9 %

(1) Percentage change is annualized.

NON-PERFORMING LOANS COMPOSITION (Unaudited)

(Dollars in thousands)

Loan Type	Total Non-performing Loans June 30, 2018	Total Non-performing Loans March 31, 2018	2Q18 vs. 1Q18 % change	Total Non-performing Loans June 30, 2017	2Q18 vs. 2Q17 % change
Commercial, Financial, and Agricultural Owner-Occupied	\$ 81,231	81,606	(0.5) %	\$ 69,550	16.8 %
Total Commercial & Industrial	87,307	85,673	1.9	94,468	(7.6)
Multi-Family	176	1,028	(82.9)	1,621	(89.1)
Hotels	-	-	-	376	nm
Office Buildings	670	1,272	(47.3)	326	nm
Shopping Centers	412	89	362.9	161	nm
Warehouses	21	-	nm	41	(48.8)
Other Investment Property	459	540	(15.0)	1,187	(61.3)
Total Investment Properties	1,738	2,929	(40.7)	3,712	(53.2)
1-4 Family Investment Mortgage	3,247	2,634	23.3	8,535	(62.0)
Total 1-4 Family Properties	3,247	2,634	23.3	8,535	(62.0)
Commercial Development	42	44	(4.5)	269	(84.4)
Residential Development	3,184	3,220	(1.1)	5,585	(43.0)
Land Acquisition	1,398	1,311	6.6	5,077	(72.5)
Land and Development	4,624	4,575	1.1	10,931	(57.7)
Total Commercial Real Estate	9,609	10,138	(5.2)	23,178	(58.5)
Consumer Mortgages	4,822	7,708	(37.4)	18,035	(73.3)
Home Equity Lines	14,265	14,868	(4.1)	20,648	(30.9)
Other Consumer Loans	1,325	1,694	(21.8)	2,988	(55.7)
Total Consumer	20,412	24,270	(15.9)	41,671	(51.0)
Total	\$ 117,328	120,081	(2.3) %	\$ 159,317	(26.4) %

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CREDIT QUALITY DATA

(Unaudited)

(Dollars in thousands)

	2018			2017		2nd Quarter
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	'18 vs. '17 Change
Non-performing Loans	\$ 117,328	120,081	115,561	97,838	159,317	(26.4) %
Impaired Loans Held for Sale ⁽¹⁾	2,733	6,591	11,278	30,197	127	nm
Other Real Estate	6,288	4,496	3,758	10,551	19,476	(67.7)
Non-performing Assets	126,349	131,168	130,597	138,586	178,920	(29.4)
Allowance for loan losses	251,725	257,764	249,268	249,683	248,095	1.5
Net Charge-Offs - Quarter	17,829	4,280	8,979	38,099	15,678	
Net Charge-Offs - YTD	22,109	4,280	69,675	60,695	22,597	
Net Charge-Offs / Average Loans - Quarter ⁽²⁾	0.29 %	0.07	0.15	0.62	0.26	
Net Charge-Offs / Average Loans - YTD ⁽²⁾	0.18	0.07	0.29	0.33	0.19	
Non-performing Loans / Loans	0.47	0.48	0.47	0.40	0.65	
Non-performing Assets / Loans, Impaired Loans Held for Sale, & ORE	0.50	0.53	0.53	0.57	0.73	
Allowance / Loans	1.00	1.04	1.01	1.02	1.02	
Allowance / Non-performing Loans	214.55	214.66	215.70	255.20	155.72	
Allowance / Non-performing Loans ⁽³⁾	262.99	241.49	238.44	336.35	217.07	
Past Due Loans over 90 days and Still Accruing	\$ 3,222	5,416	4,414	5,685	4,550	(29.2)
As a Percentage of Loans Outstanding	0.01 %	0.02	0.02	0.02	0.02	
Total Past Due Loans and Still Accruing	\$ 55,614	54,150	52,032	84,853	66,788	(16.7)
As a Percentage of Loans Outstanding	0.22 %	0.22	0.21	0.35	0.27	
Accruing Troubled Debt Restructurings (TDRs)	\$ 125,310	129,394	151,271	166,918	167,395	(25.1)

(1) Represent 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)

	June 30, 2018	December 31,	
		2017	June 30, 2017
Tier 1 Capital	\$ 3,156,805	2,872,001	2,829,340
Total Risk-Based Capital	3,668,904	3,383,081	3,340,155
Common Equity Tier 1 Ratio (transitional)	10.11 %	9.99	10.02
Common Equity Tier 1 Ratio (fully phased-in) ⁽⁵⁾	10.05	9.88	9.82
Tier 1 Capital Ratio	11.25	10.38	10.37
Total Risk-Based Capital Ratio	13.07	12.23	12.24
Tier 1 Leverage Ratio	10.03	9.19	9.30
Common Equity as a Percentage of Total Assets ⁽²⁾	8.97	9.08	9.36
Tangible Common Equity as a Percentage of Tangible Assets ^{(3) (5)}	8.77	8.88	9.15
Book Value Per Common Share ⁽⁴⁾	\$ 24.16	23.85	23.61
Tangible Book Value Per Common Share ⁽³⁾	23.58	23.27	23.04

(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.

(5) See "Non-GAAP Financial Measures" of this report for applicable reconciliation of GAAP measures.