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Synovus Announces Earnings for the Second Quarter 2019
Diluted Earnings per Share of \$0.96, up 5.5% vs. \$0.91 in 2Q18
Adjusted Diluted Earnings per Share of \$1.00, up 8.4% vs. \$0.92 in 2Q18

COLUMBUS, Ga., July 16, 2019 - Synovus Financial Corp. (NYSE: SNV) today reported financial results for the quarter ended June 30, 2019.

Second Quarter 2019 Highlights

- Diluted EPS of \$0.96; adjusted diluted EPS of \$1.00, up 1.5% sequentially and 8.4% year over year.
- Period-end loan growth of \$504.1 million, or 5.7% annualized, from prior quarter.
- Average non-interest-bearing deposits excluding public funds up \$312.4 million or 15.1% sequentially.
- Non-interest income growth of 13.1% sequentially, or 15.0% on an adjusted basis.
- Key credit metrics continued to improve, with non-performing asset (NPA) and non-performing loan ratios declining 5 and 6 basis points, respectively.
- Completed integration of all Florida Community Bank (FCB) systems, customers, branches, and branding.
- Increased the 2019 share repurchase authorization from \$400 million to \$725 million.
- Announced and priced a public offering of \$350 million of Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series E.

Second Quarter Summary

<i>(dollars in thousands)</i>	Reported			Adjusted		
	2Q19	1Q19	2Q18	2Q19	1Q19	2Q18
Net income available to common shareholders	\$ 153,034	\$ 117,036	\$ 108,622	\$ 158,892	\$ 160,155	\$ 109,824
Diluted earnings per share	0.96	0.72	0.91	1.00	0.98	0.92
Total loans	36,138,561	35,634,501	25,134,056	N/A	N/A	N/A
Total deposits	37,966,722	38,075,190	26,442,688	N/A	N/A	N/A
Total revenues	487,880	477,183	358,084	488,270	476,250	359,417
Return on avg assets	1.34%	1.06%	1.42%	1.39%	1.45%	1.43%
Return on avg common equity	13.90	10.98	15.39	14.43	15.03	15.56
Return on avg tangible common equity	16.09	12.88	15.80	16.70	17.52	15.97
Net interest margin	3.69	3.78	3.86	3.48	3.59	N/A
Efficiency ratio	54.14	61.28	56.99	52.08	50.24	56.41
Net charge-off ratio	0.13	0.19	0.29	N/A	N/A	N/A
NPA ratio	0.39	0.44	0.50	N/A	N/A	N/A

“Our results in the second quarter reflect the strength of our core business and our geography, with broad-based loan growth and solid credit and profitability metrics,” said Kessel D. Stelling, Synovus chairman and CEO. “We are pleased with the early wins in our expanded Florida footprint as we introduce our broader capabilities to new customers and prospects. We not only expect continued successes in that region, but across our entire footprint, as our core and specialty bankers work together to serve customers. The real and sustaining competitive differentiator for our company remains our talented team that is passionate about the important work they do and proud to represent our brand of relationship-centered banking and financial services in our markets.”

Balance Sheet

Loans**

<i>(dollars in millions)</i>	2Q19	1Q19	Linked Quarter Change	Linked Quarter % Change*	2Q18	Year/Year Change	Year/Year % Change
Commercial & industrial	\$ 16,247.5	\$ 16,127.6	\$ 119.9	3.0%	\$ 12,275.5	\$ 3,972.1	32.4%
Commercial real estate	10,348.4	10,268.4	80.0	3.1	6,644.2	3,704.3	55.8
Consumer	9,566.1	9,262.1	304.0	13.2	6,237.1	3,329.0	53.4
Unearned income	(23.6)	(23.7)	0.1	(1.7)	(22.7)	(0.9)	3.8
Total loans	<u>\$ 36,138.6</u>	<u>\$ 35,634.5</u>	<u>\$ 504.1</u>	<u>5.7%</u>	<u>\$ 25,134.1</u>	<u>\$ 11,004.5</u>	<u>43.8%</u>

* Annualized

** Amounts may not total due to rounding

- Total loans ended the quarter at \$36.14 billion, up \$504.1 million or 5.7% annualized from the previous quarter, with growth across all categories.
- Steady growth in commercial and industrial loans, with strong contributions from a number of markets and teams.
- Commercial real estate loan growth led by investment properties, including multi-family, hotel and shopping centers, which grew a combined \$121.2 million, partially offset by declines in office and warehouse. Continued positive trends in the consumer category, driven by lending partnerships, up \$211.9 million, and by mortgage and HELOC growth, up \$42.1 million and \$44.5 million, respectively.

Deposits**

<i>(dollars in millions)</i>	2Q19	1Q19	Linked Quarter Change	Linked Quarter % Change*	2Q18	Year/Year Change	Year/Year % Change
Non-interest-bearing DDA	\$ 8,577.6	\$ 8,440.5	\$ 137.1	6.5 %	\$ 6,820.0	\$ 1,757.6	25.8%
Interest-bearing DDA	4,847.2	4,911.2	(64.0)	(5.2)	4,060.3	786.9	19.4
Money market	8,952.9	8,912.5	40.3	1.8	7,388.2	1,564.7	21.2
Savings	891.2	903.8	(12.6)	(5.6)	822.6	68.6	8.3
Public funds	4,351.3	4,630.0	(278.7)	(24.1)	2,224.6	2,126.7	95.6
Time deposits	7,343.0	7,568.1	(225.1)	(11.9)	3,275.9	4,067.0	124.1
Brokered deposits	3,003.5	2,709.0	294.5	43.6	1,851.0	1,152.5	62.3
Total deposits	<u>\$ 37,966.7</u>	<u>\$ 38,075.2</u>	<u>\$ (108.5)</u>	<u>(1.1)%</u>	<u>\$ 26,442.7</u>	<u>\$ 11,524.0</u>	<u>43.6%</u>

* Annualized

** Amounts may not total due to rounding

- Total deposits ended the quarter at \$37.97 billion, down \$108.5 million or 1.1% annualized from first quarter 2019.

- Managed deposit cost and mix during the quarter, with growth in core transaction deposits of \$100.8 million and a lower composition of public funds and CDs. Core transaction deposits consist of non-interest bearing, NOW/savings, and money market deposits excluding public funds.
- The decline in public funds and CDs was partially offset by growth in brokered deposits of \$294.5 million, which replaced maturing CDs at shorter durations and lower rates.
- On an average basis, non-interest bearing demand deposit accounts grew \$249.9 million, or 11.1% annualized over the first quarter. Excluding the impact of public funds deposit runoff, non-interest bearing demand deposits increased \$312.4 million from the previous quarter.
- The loan to deposit ratio was 95.2%, up from 93.6% in the prior quarter.

Income Statement Summary**

<i>(in thousands, except per share data)</i>	2Q19	1Q19	Linked Quarter Change	Linked Quarter % Change	2Q18	Year/Year Change	Year/Year % Change
Net interest income	\$ 397,262	\$ 397,175	\$ 87	nm	\$ 284,577	\$ 112,685	39.6%
Non-interest income	89,807	79,378	10,429	13.1%	73,387	16,420	22.4
Non-interest expense	264,126	292,410	(28,284)	(9.7)	204,057	60,069	29.4
Provision expense	12,119	23,569	(11,450)	(48.6)	11,790	329	2.8
Income before taxes	\$ 210,824	\$ 160,574	\$ 50,250	31.3%	\$ 142,117	\$ 68,707	48.3%
Income tax expense	54,640	40,388	14,252	35.3	30,936	23,704	76.6
Preferred stock dividends	3,150	3,150	—	nm	2,559	591	23.1
Net income available to common shareholders	<u>\$ 153,034</u>	<u>\$ 117,036</u>	<u>\$ 35,998</u>	<u>30.8%</u>	<u>\$ 108,622</u>	<u>\$ 44,412</u>	<u>40.9%</u>
Weighted average common shares outstanding, diluted	159,077	162,760	(3,683)	(2.3)	119,139	39,938	33.5
Diluted earnings per share	\$ 0.96	\$ 0.72	\$ 0.24	33.8%	\$ 0.91	\$ 0.05	5.5%
Adjusted diluted earnings per share	\$ 1.00	\$ 0.98	\$ 0.02	1.5%	\$ 0.92	\$ 0.08	8.4%

** Amounts may not total due to rounding
nm - not meaningful

Core Performance

- Total revenues were \$487.9 million in the second quarter, up \$10.7 million or 2.2% from the previous quarter.
- Net interest income was flat compared to the prior quarter.
- Net interest margin was 3.69%, down 9 basis points from the previous quarter; includes \$21.0 million or 21 basis points of purchase accounting adjustments (PAA) compared to \$18.8 million or 19 basis points in first quarter.
 - The sequential decrease in net interest margin was driven by the declining rate environment and full quarter effect of subordinated debt that was issued in the first quarter.
 - Excluding the impact of PAA, earning asset yields declined 3 basis points and the effective cost of funds increased 8 basis points.
- Non-interest income increased \$10.4 million or 13.1% from the prior quarter and \$16.4 million or 22.4% compared to second quarter 2018.
 - The sequential increase was primarily attributable to a \$3.5 million, or 70.9%, increase in capital markets income and a \$2.8 million, or 56.4%, increase in mortgage banking income.
- Non-interest expense declined \$28.3 million or 9.7% due to lower merger-related expenses, and adjusted non-interest expense increased \$14.1 million or 5.8% from the prior quarter.
 - The increase in adjusted expenses resulted mainly from higher producer commissions, increased servicing fees related to growth in our lending partnership portfolio, and higher consulting fees tied to various business and technology initiatives.

- Employment taxes were seasonally lower by \$3.3 million.
- Provision expense was \$12.1 million, an \$11.5 million decrease from the previous quarter, primarily due to lower charge-off activity.
- The effective tax rate was 25.9% for the quarter.

Capital Ratios

	2Q19	1Q19	2Q18
Common equity Tier 1 capital (CET1) ratio	9.61% ⁽¹⁾	9.52%	10.12%
Tier 1 capital ratio	10.09 ⁽¹⁾	10.01	11.25
Total risk-based capital ratio	12.11 ⁽¹⁾	12.06	13.08
Tier 1 leverage ratio	8.92 ⁽¹⁾	8.81	10.03
Tangible common equity ratio ⁽²⁾	8.56	8.30	8.77

⁽¹⁾ Ratios are preliminary

⁽²⁾ Non-GAAP measure; see applicable reconciliation

Capital

- Capital ratios remained strong and all increased slightly during the quarter.
- During the second quarter 2019, Synovus announced an increase in the share repurchase authorization from \$400 million to \$725 million, and completed repurchases of \$25.0 million.
 - Year-to-date share repurchases total \$345.0 million and share count has declined by 8.0% since January 1, 2019.
- During the second quarter 2019, Synovus announced and priced a public offering of \$350 million of Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series E. This transaction closed on July 1 and is not included in second quarter results.

Second Quarter Earnings Conference Call

Synovus will host an earnings highlights conference call at 8:30 a.m. EDT on July 16, 2019. 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 \$47 billion in assets. Synovus provides commercial and retail banking, investment, and mortgage services through 297 branches in Georgia, Alabama, South Carolina, Florida, and Tennessee. Synovus Bank, a wholly owned subsidiary of Synovus, was named one of *American Banker's* "Best Banks to Work For" in 2018 and has been recognized as one of the country's "Most Reputable Banks" by American Banker and the Reputation Institute. Synovus is on the web at synovus.com, and on [Twitter](https://twitter.com/synovus), [Facebook](https://www.facebook.com/synovus), [LinkedIn](https://www.linkedin.com/company/synovus), and [Instagram](https://www.instagram.com/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 deposit growth, loan growth and the net interest margin; expectations on our growth strategy, strategic transactions (including the FCB transaction), 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, 2018, 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 total revenues; adjusted tangible efficiency ratio; adjusted net income available to common shareholders; adjusted earnings per diluted share; adjusted return on average assets; adjusted return on average common equity; return on average tangible common equity; adjusted return on average tangible common equity; tangible common equity ratio; and common equity Tier 1 capital (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; total revenues; efficiency ratio-FTE; net income available to common shareholders; earnings per diluted common share; return on average assets; return on average common equity; the ratio of total shareholders' equity to total assets; and the CET1 capital 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 total revenues and adjusted non-interest income are measures used by management to evaluate total revenues and non-interest income exclusive of net investment securities gains (losses) and changes in the fair value of private equity investments, net. Adjusted non-interest expense and the adjusted tangible efficiency ratio are measures utilized by management to measure the success of expense management initiatives focused on reducing recurring controllable operating costs. Adjusted net income available to common shareholders, adjusted earnings per diluted share, adjusted return on average assets, 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. Return on average tangible common equity and adjusted return on average tangible common equity are measures 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 capital (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

(dollars in thousands)

	2Q19	1Q19	2Q18
Adjusted non-interest income			
Total non-interest income	\$ 89,807	\$ 79,378	\$ 73,387
Add/subtract: Investment securities losses (gains), net	1,845	(75)	1,296
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(1,455)	(858)	37
Adjusted non-interest income	<u>\$ 90,197</u>	<u>\$ 78,445</u>	<u>\$ 74,720</u>
Adjusted non-interest expense			
Total non-interest expense	\$ 264,126	\$ 292,410	\$ 204,057
Subtract: Merger-related expense	(7,401)	(49,738)	—
Add: Litigation settlement/contingency expense	—	—	1,400
Subtract: Restructuring charges, net	(18)	(19)	(103)
Subtract: Fair value adjustment to Visa derivative	\$ —	\$ —	\$ (2,328)
Adjusted non-interest expense	<u>\$ 256,707</u>	<u>\$ 242,653</u>	<u>\$ 203,026</u>
Adjusted total revenues and adjusted tangible efficiency ratio			
Adjusted non-interest expense	\$ 256,707	\$ 242,653	\$ 203,026
Subtract: Amortization of intangibles	(2,410)	(3,392)	(292)
Adjusted tangible non-interest expense	<u>\$ 254,297</u>	<u>\$ 239,261</u>	<u>\$ 202,734</u>
Net interest income	\$ 397,262	\$ 397,175	\$ 284,577
Add: Tax equivalent adjustment	811	630	120
Add: Total non-interest income	89,807	79,378	73,387
Total FTE revenues	<u>487,880</u>	<u>477,183</u>	<u>358,084</u>
Add/subtract: Investment securities losses (gains), net	1,845	(75)	1,296
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(1,455)	(858)	37
Adjusted total revenues	<u>\$ 488,270</u>	<u>\$ 476,250</u>	<u>\$ 359,417</u>
Efficiency ratio-FTE	<u>54.14%</u>	<u>61.28%</u>	<u>56.99%</u>
Adjusted tangible efficiency ratio	<u>52.08</u>	<u>50.24</u>	<u>56.41</u>

Reconciliation of Non-GAAP Financial Measures, continued

(in thousands, except per share data)

Adjusted Return on Average Assets

	2Q19	1Q19	2Q18
Net income	\$ 156,184	\$ 120,186	\$ 111,181
Subtract: Income tax expense, net related to State Tax Reform	—	—	(608)
Add: Merger-related expense	7,401	49,738	—
Subtract: Litigation settlement/contingency expense	—	—	(1,400)
Add: Restructuring charges, net	18	19	103
Add: Fair value adjustment to Visa derivative	—	—	2,328
Add/subtract: Investment securities losses (gains), net	1,845	(75)	1,296
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(1,455)	(858)	37
Subtract: Tax effect of adjustments	(1,951)	(5,705)	(554)
Adjusted net income	\$ 162,042	\$ 163,305	\$ 112,383
Net income annualized	\$ 626,452	\$ 487,421	\$ 445,946
Adjusted net income annualized	\$ 649,949	\$ 662,293	\$ 450,767
Total average assets	\$ 46,679,769	\$ 45,794,621	\$ 31,502,758
Return on average assets	1.34%	1.06%	1.42%
Adjusted return on average assets	1.39	1.45	1.43

Adjusted net income available to common shareholders and adjusted net income per common share, diluted

Net income available to common shareholders	\$ 153,034	\$ 117,036	\$ 108,622
Subtract: Income tax expense, net related to State Tax Reform	—	—	(608)
Add: Merger-related expense	7,401	49,738	—
Subtract: Litigation settlement/contingency expense	—	—	(1,400)
Add: Restructuring charges, net	18	19	103
Add: Fair value adjustment to Visa derivative	—	—	2,328
Add/subtract: Investment securities losses (gains), net	1,845	(75)	1,296
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(1,455)	(858)	37
Subtract: Tax effect of adjustments	(1,951)	(5,705)	(554)
Adjusted net income available to common shareholders	\$ 158,892	\$ 160,155	\$ 109,824
Weighted average common shares outstanding, diluted	159,077	162,760	119,139
Net income per common share, diluted	\$ 0.96	\$ 0.72	\$ 0.91
Adjusted net income per common share, diluted	1.00	0.98	0.92

Reconciliation of Non-GAAP Financial Measures, continued*(dollars in thousands)*

	2Q19	1Q19	2Q18
Adjusted return on average common equity, return on average tangible common equity, and adjusted return on average tangible common equity			
Net income available to common shareholders	\$ 153,034	\$ 117,036	\$ 108,622
Subtract: Income tax expense, net related to State Tax Reform	—	—	(608)
Add: Merger-related expense	7,401	49,738	—
Subtract: Litigation settlement/contingency expense	—	—	(1,400)
Add: Restructuring charges, net	18	19	103
Add: Fair value adjustment to Visa derivative	—	—	2,328
Add/subtract: Investment securities losses (gains), net	1,845	(75)	1,296
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(1,455)	(858)	37
Subtract: Tax effect of adjustments	(1,951)	(5,705)	(554)
Adjusted net income available to common shareholders	\$ 158,892	\$ 160,155	\$ 109,824
Adjusted net income available to common shareholders annualized	\$ 637,314	\$ 649,518	\$ 440,502
Add: Amortization of intangibles	7,250	10,317	896
Adjusted net income available to common shareholders excluding amortization of intangibles annualized	\$ 644,564	\$ 659,835	\$ 441,398
Net income available to common shareholders annualized	\$ 613,818	\$ 474,646	\$ 435,682
Add: Amortization of intangibles	7,250	10,317	896
Net income available to common shareholders excluding amortization of intangibles annualized	\$ 621,068	\$ 484,963	\$ 436,578
Total average shareholders' equity less preferred stock	\$ 4,416,705	\$ 4,321,561	\$ 2,831,368
Subtract: Goodwill	(487,601)	(480,215)	(57,315)
Subtract: Other intangible assets, net	(69,853)	(75,191)	(10,555)
Total average tangible shareholders' equity less preferred stock	\$ 3,859,251	\$ 3,766,155	\$ 2,763,498
Return on average common equity	13.90%	10.98%	15.39%
Adjusted return on average common equity	14.43	15.03	15.56
Return on average tangible common equity	16.09	12.88	15.80
Adjusted return on average tangible common equity	16.70	17.52	15.97

Reconciliation of Non-GAAP Financial Measures, continued*(dollars in thousands)***Tangible Common Equity Ratio**

	<u>June 30,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
Total assets	\$ 47,318,203	\$ 46,604,344	\$ 31,740,305
Subtract: Goodwill	(492,390)	(480,215)	(57,315)
Subtract: Other intangible assets, net	(61,473)	(74,683)	(10,458)
Tangible assets	<u>\$ 46,764,340</u>	<u>\$ 46,049,446</u>	<u>\$ 31,672,532</u>
Total shareholders' equity	\$ 4,753,816	\$ 4,572,072	\$ 3,167,694
Subtract: Goodwill	(492,390)	(480,215)	(57,315)
Subtract: Other intangible assets, net	(61,473)	(74,683)	(10,458)
Subtract: Preferred Stock, no par value	(195,140)	(195,140)	(321,118)
Tangible common equity	<u>\$ 4,004,813</u>	<u>\$ 3,822,034</u>	<u>\$ 2,778,803</u>
Total shareholders' equity to total assets ratio	10.05%	9.81%	9.98%
Tangible common equity ratio	<u>8.56</u>	<u>8.30</u>	<u>8.77</u>

Reconciliation of Non-GAAP Financial Measures, continued*(dollars in thousands)***CET1 capital ratio (fully phased-in)**

	<u>June 30,</u> <u>2019</u>
CET1 capital	\$ 3,899,532
Total risk-weighted assets	\$ 40,564,781
Total risk-weighted assets (fully phased-in)	\$ 40,633,187
CET1 capital ratio	9.61%
CET1 capital ratio (fully phased-in)	<u>9.60</u>

Synovus

INCOME STATEMENT DATA

(Unaudited)

(Dollars in thousands, except per share data)

Six Months Ended

June 30,

	2019	2018	% Change
Interest income	\$ 1,020,970	\$ 642,968	58.8 %
Interest expense	226,532	84,107	169.3
Net interest income	794,438	558,861	42.2
Provision for loan losses	35,688	24,566	45.3
Net interest income after provision for loan losses	758,750	534,295	42.0
Non-interest income:			
Service charges on deposit accounts	42,853	39,938	7.3
Fiduciary and asset management fees	28,057	27,419	2.3
Card fees	22,037	21,032	4.8
Brokerage revenue	19,431	17,085	13.7
Capital markets income	13,291	2,086	nm
Mortgage banking income	12,962	9,887	31.1
Income from bank-owned life insurance	10,466	7,949	31.7
Investment securities losses, net	(1,771)	(1,296)	nm
Increase/(decrease) in fair value of private equity investments, net	2,313	(3,093)	nm
Other non-interest income	19,546	19,426	0.6
Total non-interest income	169,185	140,433	20.5
Non-interest expense:			
Salaries and other personnel expense	282,436	225,583	25.2
Net occupancy and equipment expense	78,245	64,134	22.0
Third-party processing expense	36,875	29,012	27.1
Professional fees	15,660	11,789	32.8
FDIC insurance and other regulatory fees	14,629	13,335	9.7
Advertising expense	11,045	10,312	7.1
Merger-related expense	57,140	—	nm
Amortization of intangibles	5,802	583	nm
Other operating expenses	54,705	44,486	23.0
Total non-interest expense	556,537	399,234	39.4
Income before income taxes	371,398	275,494	34.8
Income tax expense	95,028	61,146	55.4
Net income	276,370	214,348	28.9
Less: Preferred stock dividends	6,300	5,119	23.1
Net income available to common shareholders	\$ 270,070	\$ 209,229	29.1 %
Net income per common share, basic	1.70	1.77	(3.9) %
Net income per common share, diluted	1.68	1.75	(4.4)
Cash dividends declared per common share	0.60	0.50	20.0
Return on average assets*	1.21%	1.38	(17)bps
Return on average common equity*	12.65	15.01	(236)
Weighted average common shares outstanding, basic	159,148	118,531	34.3 %
Weighted average common shares outstanding, diluted	160,908	119,229	35.0

nm - not meaningful

bps - basis points

* - ratios are annualized

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INCOME STATEMENT DATA

(Unaudited)

(In thousands, except per share data)

	2019		2018		Second Quarter	
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	'19 vs '18 % Change
Interest income	\$ 516,131	504,839	357,394	343,942	329,834	56.5 %
Interest expense	118,869	107,664	59,461	52,323	45,257	162.7
Net interest income	397,262	397,175	297,933	291,619	284,577	39.6
Provision for loan losses	12,119	23,569	12,148	14,982	11,790	2.8
Net interest income after provision for loan losses	385,143	373,606	285,785	276,637	272,787	41.2
Non-interest income:						
Service charges on deposit accounts	21,994	20,859	20,320	20,582	19,999	10.0
Fiduciary and asset management fees	14,478	13,578	13,805	13,462	13,983	3.5
Card fees	11,161	10,877	10,862	10,608	10,833	3.0
Brokerage revenue	10,052	9,379	9,241	9,041	8,709	15.4
Capital markets income	8,385	4,906	1,693	836	1,118	nm
Mortgage banking income	7,907	5,054	3,781	5,290	4,839	63.4
Income from bank-owned life insurance	5,176	5,290	3,682	3,771	3,733	38.7
Investment securities (losses)/gains, net	(1,845)	75	—	—	(1,296)	nm
Increase/(decrease) in fair value of private equity investments, net	1,455	858	(2,084)	434	(37)	nm
Other non-interest income	11,044	8,502	6,691	7,644	11,506	(4.0)
Total non-interest income	89,807	79,378	67,991	71,668	73,387	22.4
Non-interest expense:						
Salaries and other personnel expense	143,009	139,427	113,496	114,341	111,863	27.8
Net occupancy and equipment expense	39,851	38,394	34,260	32,088	32,654	22.0
Third-party processing expense	19,118	17,758	14,803	14,810	15,067	26.9
Professional Fees	9,312	6,348	8,650	6,298	6,284	48.2
FDIC insurance and other regulatory fees	7,867	6,761	4,728	6,430	6,543	20.2
Advertising expense	5,923	5,123	6,834	3,735	5,220	13.5
Earnout liability adjustments	—	—	—	11,652	—	nm
Merger-related expense	7,401	49,738	3,381	6,684	—	nm
Amortization of intangibles	2,410	3,392	292	292	292	nm
Other operating expenses	29,235	25,469	23,478	23,967	26,134	11.9
Total non-interest expense	264,126	292,410	209,922	220,297	204,057	29.4
Income before income taxes	210,824	160,574	143,854	128,008	142,117	48.3
Income tax expense	54,640	40,388	38,784	18,949	30,936	76.6
Net income	156,184	120,186	105,070	109,059	111,181	40.5
Less: Preferred stock dividends and redemption charge	3,150	3,150	3,151	9,729	2,559	23.1
Net income available to common shareholders	\$ 153,034	117,036	101,919	99,330	108,622	40.9
Net income per common share, basic	\$ 0.97	0.73	0.88	0.85	0.92	6.0 %
Net income per common share, diluted	0.96	0.72	0.87	0.84	0.91	5.5
Cash dividends declared per common share	0.30	0.30	0.25	0.25	0.25	20.0
Return on average assets *	1.35%	1.06	1.29	1.36	1.42	(7)bps
Return on average common equity *	14.32	10.98	14.25	13.95	15.39	(107)
Weighted average common shares outstanding, basic	157,389	160,927	116,303	117,241	118,397	32.9 %
Weighted average common shares outstanding, diluted	159,077	162,760	116,986	118,095	119,139	33.5

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, 2019	December 31, 2018	June 30, 2018
Cash and due from banks	\$ 549,616	\$ 468,426	\$ 404,080
Interest-bearing funds with Federal Reserve Bank	531,488	641,476	613,082
Interest earning deposits with banks	20,271	19,841	33,754
Federal funds sold and securities purchased under resale agreements	49,946	13,821	40,872
Cash and cash equivalents	<u>1,151,321</u>	<u>1,143,564</u>	<u>1,091,788</u>
Investment securities available for sale, at fair value	7,007,012	3,991,632	3,929,962
Mortgage loans held for sale, at fair value	81,855	37,129	53,673
Loans	36,138,561	25,946,573	25,134,056
Allowance for loan losses	(257,376)	(250,555)	(251,725)
Loans, net	<u>35,881,185</u>	<u>25,696,018</u>	<u>24,882,331</u>
Cash surrender value of bank-owned life insurance	766,287	554,134	547,261
Premises and equipment, net	490,644	434,307	428,633
Goodwill	492,390	57,315	57,315
Other intangible assets	61,473	9,875	10,458
Other assets	1,386,036	745,218	738,884
Total assets	<u>\$ 47,318,203</u>	<u>\$ 32,669,192</u>	<u>\$ 31,740,305</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:

Non-interest-bearing deposits	\$ 9,205,066	\$ 7,650,967	\$ 7,630,491
Interest-bearing deposits	<u>28,761,656</u>	<u>19,069,355</u>	<u>18,812,197</u>
Total deposits	37,966,722	26,720,322	26,442,688
Federal funds purchased and securities sold under repurchase agreements	273,481	237,692	207,580
Other short-term borrowings	1,330,000	650,000	—
Long-term debt	2,306,072	1,657,157	1,656,647
Other liabilities	688,112	270,419	265,696
Total liabilities	<u>42,564,387</u>	<u>29,535,590</u>	<u>28,572,611</u>

Shareholders' equity:

Series C Preferred Stock - no par value; 5,200,000 outstanding at June 30, 2018	—	—	125,980
Series D Preferred Stock - no par value. Authorized 100,000,000 shares; 8,000,000 shares issued and outstanding at June 30, 2019, December 31, 2018, and June 30, 2018	195,140	195,140	195,138
Common stock - \$1.00 par value. Authorized 342,857,143 shares; 166,079,543 issued at June 30, 2019, 143,300,449 issued at December 31, 2018, and 143,077,973 issued at June 30, 2018; 156,872,026 outstanding at June 30, 2019, 115,865,510 outstanding at December 31, 2018, and 117,841,369 outstanding at June 30, 2018	166,080	143,300	143,078
Additional paid-in capital	3,801,748	3,060,561	3,045,014
Treasury stock, at cost - 9,207,517 shares at June 30, 2019, 27,434,939 shares at December 31, 2018, and 25,236,604 shares at June 30, 2018	(344,901)	(1,014,746)	(916,484)
Accumulated other comprehensive income (loss), net	49,289	(94,420)	(125,720)
Retained earnings	886,460	843,767	700,688
Total shareholders' equity	<u>4,753,816</u>	<u>3,133,602</u>	<u>3,167,694</u>
Total liabilities and shareholders' equity	<u>\$ 47,318,203</u>	<u>\$ 32,669,192</u>	<u>\$ 31,740,305</u>

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AVERAGE BALANCES AND YIELDS/RATES ⁽¹⁾

(Unaudited)

(Dollars in thousands)

	2019		2018		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Interest Earning Assets					
Taxable investment securities ⁽²⁾	\$ 6,953,278	6,515,561	4,073,685	4,061,239	4,077,564
Yield	3.04%	3.05	2.45	2.38	2.34
Tax-exempt investment securities ⁽²⁾⁽⁴⁾	\$ 2,108	20,638	—	89	115
Yield (taxable equivalent)	4.91%	4.45	—	5.91	6.87
Trading account assets ⁽⁵⁾	\$ 4,853	2,049	7,493	16,646	23,772
Yield	1.83%	1.30	1.90	2.52	2.79
Commercial loans ⁽³⁾⁽⁴⁾	\$ 26,353,973	26,140,672	19,150,252	19,025,830	18,857,271
Yield	5.13%	5.16	5.13	4.98	4.85
Consumer loans ⁽³⁾	\$ 9,423,427	9,180,679	6,476,026	6,298,643	6,092,899
Yield	5.17%	5.10	4.85	4.80	4.76
Allowance for loan losses	\$ (259,284)	(252,815)	(251,098)	(251,684)	(257,966)
Loans, net ⁽³⁾	\$ 35,518,116	35,068,536	25,375,180	25,072,789	24,692,204
Yield	5.17%	5.17	5.11	4.99	4.88
Mortgage loans held for sale	\$ 70,497	34,913	36,477	49,030	50,366
Yield	4.27%	4.48	4.79	4.71	4.42
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	\$ 511,488	679,477	641,832	544,704	724,537
Yield	2.37%	2.45	2.20	1.90	1.77
Federal Home Loan Bank and Federal Reserve Bank Stock ⁽⁵⁾	\$ 234,949	211,408	162,369	163,568	165,845
Yield	3.29%	4.82	4.31	4.41	4.63
Total interest earning assets	\$ 43,295,289	42,532,582	30,297,036	29,908,065	29,734,403
Yield	4.79%	4.80	4.69	4.58	4.47
Interest-Bearing Liabilities					
Interest-bearing demand deposits	\$ 6,335,953	6,393,304	4,692,804	4,701,204	5,001,826
Rate	0.71%	0.68	0.41	0.38	0.35
Money Market accounts	\$ 10,024,836	10,244,556	8,050,732	7,936,621	7,791,107
Rate	1.23%	1.18	0.89	0.72	0.55
Savings deposits	\$ 904,183	901,059	815,588	824,935	829,800
Rate	0.05%	0.06	0.04	0.03	0.03
Time deposits under \$100,000	\$ 2,245,878	2,238,568	1,242,811	1,205,987	1,161,890
Rate	1.39%	1.24	1.16	0.99	0.82
Time deposits over \$100,000	\$ 6,331,665	6,211,067	2,478,649	2,273,582	2,021,084
Rate	1.70%	1.60	1.67	1.46	1.22
Non-maturing brokered deposits	\$ 766,718	937,629	349,480	358,277	262,976
Rate	2.46%	2.60	2.46	2.10	1.94
Brokered time deposits	\$ 1,985,589	1,845,819	1,275,276	1,414,700	1,659,941
Rate	2.28%	2.13	2.03	1.94	1.85
Total interest-bearing deposits	\$ 28,594,822	28,772,002	18,905,340	18,715,306	18,728,624
Rate	1.30%	1.24	0.96	0.83	0.70
Federal funds purchased and securities sold under repurchase agreements	\$ 300,168	233,076	194,370	230,504	207,655
Rate	0.20%	0.22	0.18	0.25	0.35
Other short-term borrowings	\$ 1,090,581	517,456	112,228	146,794	3,024
Rate	2.59%	2.58	2.51	2.12	2.84
Long-term debt	\$ 2,114,819	1,983,910	1,657,022	1,656,743	1,852,094
Rate	3.53%	3.33	3.06	2.87	2.66
Total interest-bearing liabilities	\$ 32,100,390	31,506,444	20,868,960	20,749,347	20,791,397
Rate	1.48%	1.38	1.12	0.99	0.87
Non-interest-bearing demand deposits	\$ 9,304,839	9,054,949	8,014,761	7,672,006	7,539,451
Cost of funds	1.15%	1.07	0.81	0.73	0.64
Net interest margin	3.69%	3.78	3.92	3.89	3.86
Taxable equivalent adjustment	\$ 811	630	181	136	120

⁽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 21%, 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	Total Originated Loans	Total Acquired Loans ⁽¹⁾	Total Loans ⁽¹⁾	Linked Quarter	Total Loans	Year/Year
	June 30, 2019	June 30, 2019	June 30, 2019	March 31, 2019	% Change ⁽²⁾	June 30, 2018	% Change
Commercial, Financial, and Agricultural	\$ 9,717,746	7,800,635	1,917,111	9,566,935	6.3 %	\$ 7,271,080	33.6 %
Owner-Occupied	6,529,797	5,366,404	1,163,393	6,560,681	(1.9)	5,004,392	30.5
Total Commercial & Industrial	16,247,543	13,167,039	3,080,504	16,127,616	3.0	12,275,472	32.4
Multi-Family	2,113,938	1,342,157	771,781	2,077,666	7.0	1,358,211	55.6
Hotels	1,244,512	761,387	483,125	1,179,395	22.1	755,125	64.8
Office Buildings	2,291,617	1,495,989	795,628	2,300,671	(1.6)	1,429,166	60.3
Shopping Centers	1,677,555	919,244	758,311	1,657,789	4.8	811,186	106.8
Warehouses	696,692	581,980	114,712	725,862	(16.1)	602,707	15.6
Other Investment Property	980,786	826,949	153,837	979,579	0.5	553,201	77.3
Total Investment Properties	9,005,100	5,927,706	3,077,394	8,920,962	3.8	5,509,596	63.4
1-4 Family Construction	219,032	174,242	44,790	215,881	5.9	177,140	23.6
1-4 Family Investment Mortgage	528,358	469,206	59,152	549,120	(15.2)	543,570	(2.8)
Total 1-4 Family Properties	747,390	643,448	103,942	765,001	(9.2)	720,710	3.7
Commercial Development	138,840	65,111	73,729	147,516	(23.6)	61,375	126.2
Residential Development	218,850	126,827	92,023	215,814	5.6	100,246	118.3
Land Acquisition	238,267	172,750	65,517	219,146	35.0	252,244	(5.5)
Land and Development	595,957	364,688	231,269	582,476	9.3	413,865	44.0
Total Commercial Real Estate	10,348,447	6,935,842	3,412,605	10,268,439	3.1	6,644,171	55.8
Consumer Mortgages	5,407,762	3,194,027	2,213,735	5,365,635	3.1	2,750,935	96.6
Home Equity Lines	1,650,745	1,587,854	62,891	1,606,227	11.1	1,453,855	13.5
Credit Cards	258,283	258,283	—	252,762	8.8	238,424	8.3
Other Consumer Loans	2,249,337	2,237,406	11,931	2,037,477	41.7	1,793,916	25.4
Total Consumer	9,566,127	7,277,570	2,288,557	9,262,101	13.2	6,237,130	53.4
Unearned Income	(23,556)	(23,556)	—	(23,655)	(1.7)	(22,717)	3.7
Total	\$ 36,138,561	27,356,895	8,781,666	35,634,501	5.7 %	\$ 25,134,056	43.8 %

⁽¹⁾ On 1/1/19 \$9.29 B of loans (at fair value) were acquired from FCB. The amounts presented in these columns are net of paydowns and payoffs since acquisition date.

⁽²⁾ Percentage change is annualized.

NON-PERFORMING LOANS COMPOSITION⁽¹⁾

(Unaudited)

(Dollars in thousands)

Loan Type	Total Non-performing Loans	Total Originated Non-performing Loans	Total Acquired Non-performing Loans ⁽²⁾	Total Non-performing Loans ⁽³⁾	Linked Quarter	Total Non-performing Loans	Year/Year
	June 30, 2019	June 30, 2019	June 30, 2019	March 31, 2019	% Change	June 30, 2018	% Change
Commercial, Financial, and Agricultural	\$ 72,934	68,573	4,361	85,917	(15.1)%	\$ 81,231	(10.2)%
Owner-Occupied	13,465	11,557	1,908	13,813	(2.5)	6,076	121.6
Total Commercial & Industrial	86,399	80,130	6,269	99,730	(13.4)	87,307	(1.0)
Multi-Family	—	—	—	1,503	nm	176	nm
Hotels	—	—	—	7,346	nm	—	nm
Office Buildings	300	186	114	221	35.7	670	(55.2)
Shopping Centers	671	613	58	676	(0.7)	412	62.9
Warehouses	—	—	—	—	nm	21	nm
Other Investment Property	7	—	7	—	nm	459	nm
Total Investment Properties	978	799	179	9,746	(90.0)	1,738	(43.7)
1-4 Family Construction	208	208	—	445	(53.3)	—	nm
1-4 Family Investment Mortgage	1,637	1,410	227	1,522	7.6	3,247	(49.6)
Total 1-4 Family Properties	1,845	1,618	227	1,967	(6.2)	3,247	(43.2)
Commercial Development	—	—	—	46	nm	42	nm
Residential Development	1,253	1,253	—	1,569	(20.1)	3,184	(60.6)
Land Acquisition	1,482	1,482	—	1,035	43.2	1,398	6.0
Land and Development	2,735	2,735	—	2,650	3.2	4,624	(40.9)
Total Commercial Real Estate	5,558	5,152	406	14,363	(61.3)	9,609	(42.2)
Consumer Mortgages	13,628	13,628	—	11,556	17.9	4,822	182.6
Home Equity Lines	13,830	13,494	336	14,078	(1.8)	14,265	(3.0)
Other Consumer Loans	4,667	4,667	—	4,249	9.8	1,325	252.2
Total Consumer	32,125	31,789	336	29,883	7.5	20,412	57.4
Total	\$ 124,082	117,071	7,011	143,976	(13.8)%	\$ 117,328	5.8 %

(1) For purposes of this table, 2019 non-performing loans exclude acquired loans accounted for under ASC 310-30 that are currently accruing income.

(2) Represents loans acquired from FCB and designated as non-accrual, net of payments and dispositions since acquisition date

(3) March 31, 2019 total non-performing loans included \$23.5 million of acquired non-performing loans, net of payments since acquisition date

Synovus

CREDIT QUALITY DATA

(Unaudited)

(Dollars in thousands)

	2019		2018			Second Quarter
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	'19 vs '18 % Change
Non-performing Loans ⁽¹⁾	124,083	143,976	106,733	108,425	117,328	5.8%
Impaired Loans Held for Sale ⁽²⁾	631	12	1,506	12	2,733	(76.9)
Other Real Estate	14,848	11,329	6,220	8,542	6,288	136.1
Non-performing Assets ⁽¹⁾	139,562	155,317	114,459	116,979	126,349	10.5
Allowance for loan losses	257,376	257,036	250,555	251,450	251,725	2.2
Net Charge-Offs - Quarter	11,778	17,088	13,044	15,257	17,829	
Net Charge-Offs - YTD	28,867	17,088	50,410	37,366	22,109	
Net Charge-Offs / Average Loans - Quarter ⁽³⁾	0.13%	0.19	0.20	0.24	0.29	
Net Charge-Offs / Average Loans - YTD ⁽³⁾	0.16	0.19	0.20	0.20	0.18	
Non-performing Loans / Loans ⁽¹⁾	0.34	0.40	0.41	0.42	0.47	
Non-performing Assets / Loans, Impaired Loans Held for Sale, & ORE ⁽¹⁾	0.39	0.44	0.44	0.46	0.50	
Allowance / Loans	0.71	0.72	0.97	0.98	1.00	
Allowance / Non-performing Loans ⁽¹⁾	207.42	178.53	234.75	231.91	214.55	
Allowance / Non-performing Loans excluding impaired and acquired loans with no reserve ⁽¹⁾	282.51	291.62	297.68	288.21	262.99	
Past Due Loans over 90 days and Still Accruing ⁽¹⁾	\$ 5,851	4,486	3,798	4,856	3,222	81.6
As a Percentage of Loans Outstanding	0.02%	0.01	0.01	0.02	0.01	
Total Past Due Loans and Still Accruing ⁽¹⁾	\$ 80,792	88,135	56,927	78,323	55,614	45.3
As a Percentage of Loans Outstanding	0.22%	0.25	0.22	0.31	0.22	
Accruing Troubled Debt Restructurings (TDRs)	\$ 126,369	112,205	115,588	114,740	125,310	0.8

⁽¹⁾ For purposes of this table, 2019 non-performing loans and past due loans over 90 days exclude acquired loans accounted for under ASC 310-30 that are currently accruing income.

⁽²⁾ 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.

⁽³⁾ Ratio is annualized.

SELECTED CAPITAL INFORMATION ⁽¹⁾

(Unaudited)

(Dollars in thousands)

	June 30, 2019	December 31, 2018	June 30, 2018
Tier 1 Capital	\$ 4,094,672	3,090,416	3,156,805
Total Risk-Based Capital	4,913,043	3,601,376	3,668,904
Common Equity Tier 1 Capital Ratio	9.61%	9.95	10.12
Common Equity Tier 1 Ratio (fully phased-in) ⁽⁵⁾	9.60	9.92	10.06
Tier 1 Capital Ratio	10.09	10.61	11.25
Total Risk-Based Capital Ratio	12.11	12.37	13.08
Tier 1 Leverage Ratio	8.92	9.60	10.03
Common Equity as a Percentage of Total Assets ⁽²⁾	9.63	8.99	8.97
Tangible Common Equity Ratio ⁽³⁾⁽⁵⁾	8.56	8.81	8.77
Book Value Per Common Share ⁽⁴⁾	\$ 29.06	25.36	24.16
Tangible Book Value Per Common Share ⁽³⁾	25.53	24.78	23.58

⁽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.