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**Synovus Announces Earnings for the Third Quarter 2016**

*Diluted Earnings per Share of \$0.51, up 21% vs. 3Q15*  
*Adjusted Diluted Earnings per Share of \$0.52, up 23% vs. 3Q15*

**COLUMBUS, Ga., October 18, 2016** – Synovus Financial Corp. (NYSE: SNV) today reported financial results for the quarter ended September 30, 2016.

**Third Quarter Highlights**

- Net income available to common shareholders for the third quarter 2016 was \$62.7 million or \$0.51 per diluted share as compared to \$57.9 million or \$0.46 per diluted share for the previous quarter and \$55.4 million or \$0.42 per diluted share for the third quarter 2015.
  - Adjusted diluted earnings per share of \$0.52 grew 23.0% from \$0.42 for the third quarter 2015.
  - Return on average assets improved to 0.88% from 0.83% in the previous quarter and 0.81% in the third quarter 2015.
- Total revenues<sup>1</sup> of \$294.1 million grew \$4.8 million or 1.6% from the previous quarter and 7.0% from the third quarter 2015.
- Synovus continued to achieve positive operating leverage which resulted in an improved adjusted efficiency ratio of 60.55% in the third quarter as compared to 61.54% in the previous quarter and 61.83% in the third quarter 2015.
- Total loans grew \$202.0 million or 3.5% annualized from the previous quarter and \$1.40 billion or 6.4% as compared to the third quarter 2015.
- Total average deposits grew \$422.3 million or 7.1% annualized from the previous quarter and \$1.17 billion or 5.1% as compared to the third quarter 2015.
- Credit quality metrics improved with the NPL ratio declining to 0.64% from 0.67% in the previous quarter and 0.72% in the third quarter 2015.
- Return on average common equity improved to 8.89% from 8.26% in the previous quarter and 7.64% in the third quarter 2015.
- Return on average tangible common equity improved to 8.96% from 8.33% in the previous quarter and 7.70% in the third quarter 2015.
- Effective September 29, 2016, the company entered into an accelerated share repurchase agreement (ASR) to repurchase \$50 million of Synovus common stock. Upon settlement of the ASR scheduled on or before December 28, 2016, the \$300 million share repurchase program will be complete.

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<sup>1</sup> Consists of net interest income and non-interest income excluding investment securities gains, net

“We were pleased with our third quarter performance, marked by strong earnings per share and revenue growth,” said Kessel Stelling, Synovus Chairman and CEO. “We continued to drive diversified loan growth in the quarter and, with the successful closing of the Entaire acquisition in October, we gained an additional entry point for expanded C&I relationships in the future. With another solid quarter behind us, our team remains committed to deepening customer relationships and enhancing profitability.”

## Consolidated Financial Results

### Balance Sheet

- Total loans ended the quarter at \$23.26 billion, up \$202.0 million or 3.5% annualized from the previous quarter and up \$1.40 billion or 6.4% as compared to the third quarter 2015.
  - Retail loans grew by \$182.1 million or 15.7% annualized from the previous quarter and \$648.3 million or 15.6% as compared to the third quarter 2015.
  - Commercial and industrial loans grew by \$60.6 million or 2.2% annualized from the previous quarter and \$490.0 million or 4.7% as compared to the third quarter 2015.
  - Commercial real estate loans declined by \$42.1 million or 2.2% annualized from the previous quarter and grew \$258.1 million or 3.6% as compared to the third quarter 2015.
- Total average deposits for the quarter were \$24.03 billion, and grew by \$422.3 million or 7.1% annualized from the previous quarter and \$1.17 billion or 5.1% as compared to the third quarter 2015.
  - Average core transaction accounts<sup>2</sup> grew by \$512.7 million or 12.1% annualized from the previous quarter and \$1.26 billion or 7.8% as compared to the third quarter 2015.

### Core Performance

- Total revenues<sup>1</sup> of \$294.1 million grew \$4.8 million or 1.6% from the previous quarter and 7.0% from the third quarter 2015.
- Net interest income was \$226.0 million, up \$4.6 million or 2.1% from the previous quarter and 8.8% as compared to the third quarter 2015.
- Net interest margin was 3.27%, unchanged from the previous quarter. Yield on earning assets was 3.71% and the effective cost of funds was 0.44%, both of which declined two basis points from the previous quarter.
- Total non-interest income was \$68.2 million, up \$269 thousand or 0.4% compared to the previous quarter and 1.6% as compared to the third quarter 2015.
  - Core banking fees<sup>3</sup> were \$34.8 million, up \$989 thousand or 2.9% from the previous quarter and down 0.6% as compared to the third quarter 2015.
  - Fiduciary and asset management fees, brokerage revenue, and insurance revenues of \$19.6 million were down \$250 thousand or 1.3% from the previous quarter and up 2.0% as compared to the third quarter 2015.

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<sup>2</sup> Consists of non-interest bearing, NOW/Savings, and money market deposits

<sup>3</sup> Include service charges on deposit accounts, bankcard 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 of \$7.3 million was up \$1.4 million or 23.4% from the previous quarter and 22.9% as compared to the third quarter 2015.
- Total non-interest expense for the third quarter 2016 was \$185.9 million, down \$2.7 million or 1.5% from the previous quarter and up \$8.0 million or 4.5% as compared to the third quarter 2015.
- Adjusted non-interest expense for the third quarter 2016 was \$183.9 million, up \$1.5 million or 0.8% from the previous quarter and up \$6.4 million or 3.6% as compared to the third quarter 2015.
  - Employment expense of \$101.9 million increased \$4.9 million or 5.0% from the previous quarter.
  - Advertising expense of \$5.6 million decreased \$1.8 million from the previous quarter.
  - Adjusted efficiency ratio for the third quarter was 60.55% as compared to 61.54% in the previous quarter and 61.83% in the third quarter 2015.
  - Efficiency ratio for the third quarter was 63.13% as compared to 65.11% in the previous quarter and 64.65% in the third quarter 2015.
- On a year-to-date basis, adjusted non-interest expense of \$545.6 million increased \$16.5 million or 3.1% as compared to a year ago.

### **Credit Quality**

- Non-performing loans were \$148.2 million at September 30, 2016, down \$5.9 million or 3.8% from the previous quarter and down \$9.5 million or 6.0% from September 30, 2015. The non-performing loan ratio was 0.64% at September 30, 2016, as compared to 0.67% at the end of the previous quarter and 0.72% at September 30, 2015.
- Total non-performing assets were \$179.1 million at September 30, 2016, down \$8.3 million or 4.4% from the previous quarter and down \$42.9 million or 19.3% from September 30, 2015. The non-performing asset ratio was 0.77% at September 30, 2016, as compared to 0.81% at the end of the previous quarter and 1.01% at September 30, 2015.
- Net charge-offs were \$6.9 million in the third quarter 2016, up \$797 thousand or 13.0% from \$6.1 million in the previous quarter. The annualized net charge-off ratio was 0.12% in the third quarter as compared to 0.11% in the previous quarter.
- Total delinquencies (consisting of loans 30 or more days past due and still accruing) remain low at 0.27% of total loans at September 30, 2016 as compared to 0.24% the previous quarter and 0.18% at September 30, 2015.

### **Capital Ratios**

- Common Equity Tier 1 ratio was 9.97% at September 30, 2016 compared to 10.01% at June 30, 2016.
- Tier 1 Capital ratio was 10.06% at September 30, 2016, unchanged from June 30, 2016.
- Total Risk Based Capital ratio was 12.05% at September 30, 2016, unchanged from June 30, 2016.
- Tier 1 Leverage ratio was 8.98% at September 30, 2016 compared to 9.10% at June 30, 2016.
- Tangible Common Equity ratio was 9.28% at September 30, 2016 compared to 9.52% at June 30, 2016.

### **Third Quarter Earnings Conference Call**

Synovus will host an earnings highlights conference call at 8:30 a.m. EDT on October 18, 2016. 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](http://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 \$30 billion in assets. Synovus provides commercial and retail banking, investment, and mortgage services to customers through 28 locally-branded divisions, 250 branches, and 332 ATMs in Georgia, Alabama, South Carolina, Florida, and Tennessee. Synovus Bank, a wholly owned subsidiary of Synovus, was recognized as one of America's Most Reputable Banks by *American Banker* and the Reputation Institute in 2016 and 2015. Synovus is on the web at [synovus.com](http://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, 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, 2015 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 entitled adjusted diluted earnings per share; return on average tangible common equity; average core transaction deposit accounts; 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 common equity; total average deposits; total non-interest expense; efficiency ratio 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’ capital strength and the performance of its core business. Adjusted diluted earnings per share is a measure used by management to evaluate operating results exclusive of items that are not indicative of ongoing operations and impact period-to- period comparisons. The return on average tangible common equity is 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. Average core transaction deposit accounts are a measure used by management to evaluate organic growth of deposits and the quality of deposits as a funding source. 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 not be considered as substitutes for net income per diluted common share; return on average common equity; total average deposits; total non-interest income; total non-interest expense; efficiency ratio; 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; return on average tangible common equity; average core transaction deposit accounts; 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 diluted common share; return on average common equity; total average deposits; total non-interest expense; efficiency ratio; and total shareholders’ equity to total assets ratio are set forth in the tables below.

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

	<u>3Q16</u>	<u>2Q16</u>	<u>3Q15</u>
<b>Adjusted Diluted Earnings per Share</b>			
Net income available to common shareholders	\$ 62,686	57,898	55,369
(Subtract)/Add: Litigation contingency/settlement (recovery) expense*	(189)	-	-
Add: Restructuring charges	1,243	5,841	69
Add: Merger-related expenses	550	-	-
Tax effect of adjustments	<u>(587)</u>	<u>(2,138)</u>	<u>(25)</u>
Adjusted net income available to common shareholders	<u>\$ 63,703</u>	<u>61,601</u>	<u>55,413</u>
Weighted average common shares outstanding - diluted	123,604	125,699	132,297
Adjusted diluted earnings per share	<u>\$ 0.52</u>	<u>0.49</u>	<u>0.42</u>
<b>Return on Average Tangible Common Equity</b>			
Total average shareholders' equity	\$ 2,932,513	2,946,697	3,002,428
Subtract: Average goodwill	(24,431)	(24,431)	(24,431)
Subtract: Average other intangible assets, net	(226)	(249)	(758)
Subtract: Average Series C Preferred Stock, no par value	<u>(125,980)</u>	<u>(125,980)</u>	<u>(125,980)</u>
Average tangible common equity	\$ 2,781,876	2,796,037	2,851,259
Net income available to common shareholders annualized	\$ 249,377	232,866	219,671
Return on average tangible common equity	8.96%	8.33	7.70
<b>Average Core Transaction Deposit Accounts</b>			
Total average deposits	\$24,030,291	23,608,027	22,860,019
Subtract: Average brokered deposits	(1,409,740)	(1,337,001)	(1,357,163)
Subtract: Average time deposits excluding average SCM time deposits	(3,153,366)	(3,141,621)	(3,274,406)
Subtract: Average state, county, and municipal (SCM) deposits	<u>(2,105,126)</u>	<u>(2,280,038)</u>	<u>(2,124,812)</u>
Average core transaction deposit accounts	<u>\$ 17,362,059</u>	<u>16,849,367</u>	<u>16,103,638</u>

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

	3Q16	2Q16	3Q15
<b>Adjusted Non-interest Expense</b>			
Total non-interest expense	\$ 185,871	188,611	177,907
Subtract: Restructuring charges	(1,243)	(5,841)	(69)
Subtract: Visa indemnification charges	(360)	(360)	(363)
Add/(Subtract): Litigation contingency/settlement recovery (expense)*	189	-	-
Subtract: Merger-related expenses	<u>(550)</u>	<u>-</u>	<u>-</u>
Adjusted non-interest expense	<u>\$ 183,907</u>	<u>182,410</u>	<u>177,475</u>
<b>Adjusted Efficiency Ratio</b>			
Adjusted non-interest expense	\$ 183,907	182,410	177,475
Subtract: Foreclosed real estate expense	(2,725)	(4,588)	(4,503)
Subtract: Other credit costs	<u>(2,913)</u>	<u>445</u>	<u>(2,842)</u>
Adjusted non-interest expense excluding total credit costs	<u>\$ 178,269</u>	<u>178,267</u>	<u>170,130</u>
Net interest income	226,007	221,449	207,790
Add: Tax equivalent adjustment	330	329	315
Add: Total non-interest income	68,155	67,886	67,059
Subtract: Investment securities gains, net	<u>(59)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 294,433</u>	<u>289,664</u>	<u>275,164</u>
Adjusted efficiency ratio	<u>60.55%</u>	<u>61.54</u>	<u>61.83</u>
<b>Tangible common equity ratio</b>			
Total assets	\$ 29,727,096	29,459,691	28,167,135
Subtract: Goodwill	(24,431)	(24,431)	(24,431)
Subtract: Other intangible assets, net	<u>(225)</u>	<u>(228)</u>	<u>(667)</u>
Tangible assets	<u>\$ 29,702,440</u>	<u>29,435,032</u>	<u>28,142,037</u>
Total shareholders' equity	\$ 2,906,659	2,951,659	3,017,116
Subtract: Goodwill	(24,431)	(24,431)	(24,431)
Subtract: Other intangible assets, net	(225)	(228)	(667)
Subtract: Series C Preferred Stock, no par value	<u>(125,980)</u>	<u>(125,980)</u>	<u>(125,980)</u>
Tangible common equity	<u>\$ 2,756,023</u>	<u>2,801,020</u>	<u>2,866,038</u>
Total shareholders' equity to total assets ratio	9.78%	10.02%	10.71
Tangible common equity ratio	9.28%	9.52%	10.18
<b>Common Equity Tier 1 (CET1) ratio (fully phased-in)</b>			
Common Equity Tier 1 (CET1)	\$ 2,596,233	2,616,181	2,637,462
Subtract: Adjustment related to capital components	<u>(101,843)</u>	<u>(114,588)</u>	<u>(128,481)</u>
CET1 (fully phased-in)	<u>\$ 2,494,390</u>	<u>2,501,593</u>	<u>2,508,981</u>
Total risk-weighted assets (fully phased-in)	\$ 26,289,626	26,373,430	25,142,523
Common Equity Tier 1 (CET1) ratio (fully phased-in)	9.49%	9.49	9.98

Amounts for other periods presented herein are not reported separately as amounts are not material.

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## INCOME STATEMENT DATA

(Unaudited)

(Dollars in thousands, except per share data)

Nine Months Ended

September 30,

	2016	2015	Change
Interest income	\$ 758,270	703,148	7.8 %
Interest expense	92,620	88,450	4.7
Net interest income	665,650	614,698	8.3
Provision for loan losses	21,741	13,990	55.4
Net interest income after provision for loan losses	643,909	600,708	7.2
Non-interest income:			
Service charges on deposit accounts	60,772	59,621	1.9
Fiduciary and asset management fees	34,691	34,722	(0.1)
Brokerage revenue	20,019	20,978	(4.6)
Mortgage banking income	18,755	19,960	(6.0)
Bankcard fees	24,988	24,910	0.3
Investment securities gains, net	126	2,710	(95.4)
Other fee income	15,255	15,371	(0.8)
Other non-interest income	24,582	23,474	4.7
Total non-interest income	199,188	201,746	(1.3)
Non-interest expense:			
Salaries and other personnel expense	300,364	285,394	5.2
Net occupancy and equipment expense	81,480	79,650	2.3
Third-party processing expense	34,033	31,858	6.8
FDIC insurance and other regulatory fees	20,100	20,315	(1.1)
Professional fees	19,794	18,382	7.7
Advertising expense	15,358	11,797	30.2
Foreclosed real estate expense, net	9,998	18,350	(45.5)
Merger-related expense	550	-	nm
Visa indemnification charges	1,079	1,092	(1.2)
Loss on early extinguishment of debt	4,735	-	nm
Litigation settlement/contingency expense	2,511	4,400	(42.9)
Restructuring charges, net	8,225	(33)	nm
Other operating expenses	64,489	63,416	1.7
Total non-interest expense	562,716	534,621	5.3
Income before income taxes	280,381	267,833	4.7
Income tax expense	102,148	100,149	2.0
Net income	178,233	167,684	6.3
Dividends on preferred stock	7,678	7,678	-
Net income available to common shareholders	\$ 170,555	160,006	6.6 %
Net income per common share, basic	\$ 1.36	1.20	13.4 %
Net income per common share, diluted	1.36	1.20	13.5
Cash dividends declared per common share	0.36	0.30	20.0
Return on average assets	0.81 %	0.80	1 bp
Return on average common equity	8.07	7.40	67
Weighted average common shares outstanding, basic	125,076	133,120	(6.0) %
Weighted average common shares outstanding, diluted	125,712	133,876	(6.1)

nm - not meaningful

bps - basis points



# Synovus

## INCOME STATEMENT DATA

(Unaudited)

(In thousands, except per share data)

	2016			2015		3rd Quarter
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	'16 vs. '15 Change
Interest income	\$ 256,554	252,393	249,323	242,814	238,093	7.8 %
Interest expense	30,547	30,944	31,130	30,194	30,303	0.8
Net interest income	226,007	221,449	218,193	212,620	207,790	8.8
Provision for loan losses	5,671	6,693	9,377	5,021	2,956	91.8
Net interest income after provision for loan losses	220,336	214,756	208,816	207,599	204,834	7.6
Non-interest income:						
Service charges on deposit accounts	20,822	20,240	19,710	20,522	20,692	0.6
Fiduciary and asset management fees	11,837	11,580	11,274	11,206	11,308	4.7
Brokerage revenue	6,199	7,338	6,483	6,877	6,946	(10.8)
Mortgage banking income	7,329	5,941	5,484	4,136	5,965	22.9
Bankcard fees	8,269	8,346	8,372	8,262	8,334	(0.8)
Investment securities gains, net	59	-	67	58	-	nm
Other fee income	5,171	5,280	4,804	5,798	5,521	(6.3)
Other non-interest income	8,469	9,161	6,953	9,316	8,293	2.1
Total non-interest income	68,155	67,886	63,147	66,175	67,059	1.6
Non-interest expense:						
Salaries and other personnel expense	101,945	97,061	101,358	95,524	94,341	8.1
Net occupancy and equipment expense	28,120	26,783	26,577	27,816	26,937	4.4
Third-party processing expense	11,219	11,698	11,116	10,993	10,844	3.5
FDIC insurance and other regulatory fees	6,756	6,625	6,719	6,776	6,591	2.5
Professional fees	6,486	6,938	6,369	8,265	6,371	1.8
Advertising expense	5,597	7,351	2,410	3,680	5,488	2.0
Foreclosed real estate expense, net	2,725	4,588	2,684	4,454	4,503	(39.5)
Merger-related expense	550	-	-	-	-	nm
Visa indemnification charges	360	360	360	371	363	(0.8)
Loss on early extinguishment of debt	-	-	4,735	1,533	-	-
Litigation contingency/settlement (recovery) expense	(189)	-	2,700	710	-	nm
Restructuring charges, net	1,243	5,841	1,140	69	69	nm
Other operating expenses	21,059	21,366	22,065	22,842	22,400	(6.0)
Total non-interest expense	185,871	188,611	188,233	183,033	177,907	4.5
Income before income taxes	102,620	94,031	83,730	90,741	93,986	9.2
Income tax expense	37,375	33,574	31,199	32,343	36,058	3.7
Net income	65,245	60,457	52,531	58,398	57,928	12.6
Dividends on preferred stock	2,559	2,559	2,559	2,559	2,559	-
Net income available to common shareholders	\$ 62,686	57,898	49,972	55,839	55,369	13.2 %
Net income per common share, basic	\$ 0.51	0.46	0.39	0.43	0.42	21.1 %
Net income per common share, diluted	0.51	0.46	0.39	0.43	0.42	21.2
Cash dividends declared per common share	0.12	0.12	0.12	0.12	0.10	20.0
Return on average assets *	0.88 %	0.83 %	0.73	0.81	0.81	7 bps
Return on average common equity *	8.89	8.26	7.06	7.67	7.64	125
Weighted average common shares outstanding, basic	122,924	125,100	127,227	130,354	131,516	(6.5) %
Weighted average common shares outstanding, diluted	123,604	125,699	127,857	131,197	132,297	(6.6)

nm - not meaningful

bps - basis points

\* - ratios are annualized

# Synovus

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## BALANCE SHEET DATA (Unaudited)

(In thousands, except share data)

### ASSETS

	September 30, 2016	December 31, 2015	September 30, 2015
Cash and cash equivalents	\$ 367,342	367,092	329,396
Interest bearing funds with Federal Reserve Bank	985,776	829,887	837,641
Interest earning deposits with banks	18,375	17,387	21,170
Federal funds sold and securities purchased under resale agreements	71,753	69,819	69,732
Trading account assets, at fair value	7,309	5,097	5,844
Mortgage loans held for sale, at fair value	95,769	59,275	73,623
Investment securities available for sale, at fair value	3,603,153	3,587,818	3,487,332
Loans, net of deferred fees and costs	23,262,887	22,429,565	21,864,309
Allowance for loan losses	(253,817)	(252,496)	(250,900)
Loans, net	<u>23,009,070</u>	<u>22,177,069</u>	<u>21,613,409</u>
Premises and equipment, net	418,091	445,155	449,078
Goodwill	24,431	24,431	24,431
Other real estate	28,438	47,030	64,346
Deferred tax asset, net	395,795	511,948	526,492
Other assets	<u>701,794</u>	<u>650,645</u>	<u>664,641</u>
Total assets	<u>\$ 29,727,096</u>	<u>28,792,653</u>	<u>28,167,135</u>

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### Liabilities:

Deposits:			
Non-interest bearing deposits	\$ 7,059,059	6,732,970	6,570,227
Interest bearing deposits, excluding brokered deposits	15,817,596	15,434,171	14,961,387
Brokered deposits	<u>1,315,348</u>	<u>1,075,520</u>	<u>1,245,798</u>
Total deposits	24,192,003	23,242,661	22,777,412
Federal funds purchased and securities sold under repurchase agreements	195,025	177,025	135,475
Long-term debt	2,160,985	2,186,893	2,038,028
Other liabilities	<u>272,424</u>	<u>185,878</u>	<u>199,104</u>
Total liabilities	<u>26,820,437</u>	<u>25,792,457</u>	<u>25,150,019</u>

#### Shareholders' equity:

Series C Preferred Stock - no par value, 5,200,000 shares outstanding at September 30, 2016, December 31, 2015, and September 30, 2015	125,980	125,980	125,980
Common stock - \$1.00 par value. 121,453,772 shares outstanding at September 30, 2016, 129,547,032 shares outstanding at December 31, 2015 and 130,632,731 shares outstanding at September 30, 2015	141,066	140,592	140,526
Additional paid-in capital	2,987,760	2,989,981	2,986,333
Treasury stock, at cost - 19,612,435 shares at September 30, 2016, 11,045,377 shares at December 31, 2015, and 9,892,877 shares at September 30, 2015	(654,014)	(401,511)	(364,428)
Accumulated other comprehensive gain (loss)	5,165	(29,819)	(6,092)
Retained earnings	<u>300,702</u>	<u>174,973</u>	<u>134,797</u>
Total shareholders' equity	<u>2,906,659</u>	<u>3,000,196</u>	<u>3,017,116</u>
Total liabilities and shareholders' equity	<u>\$ 29,727,096</u>	<u>28,792,653</u>	<u>28,167,135</u>

**AVERAGE BALANCES AND YIELDS/RATES (1)**

(Unaudited)

(Dollars in thousands)

	2016			2015	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
<b>Interest Earning Assets</b>					
Taxable investment securities <sup>(2)</sup>	\$ 3,544,933	3,529,030	3,537,131	3,481,184	3,380,543
Yield	1.83 %	1.89	1.91	1.85	1.76
Tax-exempt investment securities <sup>(2) (4)</sup>	\$ 2,943	3,491	4,091	4,352	4,509
Yield (taxable equivalent)	5.96 %	6.08	6.37	6.16	6.21
Trading account assets	\$ 5,493	3,803	5,216	8,067	7,278
Yield	0.93 %	1.27	1.65	2.24	1.84
Commercial loans <sup>(3) (4)</sup>	\$ 18,419,484	18,433,638	18,253,169	17,884,661	17,522,735
Yield	4.03 %	4.04	4.03	3.97	3.99
Consumer loans <sup>(3)</sup>	\$ 4,720,082	4,497,147	4,334,817	4,233,061	4,105,639
Yield	4.30 %	4.32	4.37	4.27	4.31
Allowance for loan losses	\$ (255,675)	(251,101)	(258,097)	(252,049)	(256,102)
Loans, net <sup>(3)</sup>	\$ 22,883,891	22,679,684	22,329,889	21,865,673	21,372,272
Yield	4.14 %	4.15	4.15	4.08	4.10
Mortgage loans held for sale	\$ 87,524	72,477	63,339	50,668	69,438
Yield	3.32 %	3.59	3.72	3.84	3.82
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	\$ 998,565	907,615	885,939	1,081,604	1,380,686
Yield	0.48 %	0.47	0.47	0.27	0.24
Federal Home Loan Bank and Federal Reserve Bank stock <sup>(5)</sup>	\$ 70,570	77,571	80,679	66,790	71,852
Yield	4.99 %	5.15	3.82	5.08	4.71
<b>Total interest earning assets</b>	<b>\$ 27,593,919</b>	<b>27,273,670</b>	<b>26,906,284</b>	<b>26,558,338</b>	<b>26,286,578</b>
Yield	3.71 %	3.73	3.73	3.63	3.60
<b>Interest Bearing Liabilities</b>					
Interest bearing demand deposits	\$ 4,274,117	4,233,310	4,198,738	4,117,116	3,955,803
Rate	0.16 %	0.18	0.17	0.17	0.18
Money market accounts	\$ 7,227,030	7,082,759	7,095,778	7,062,517	6,893,563
Rate	0.29 %	0.31	0.32	0.35	0.36
Savings deposits	\$ 797,961	746,225	722,172	692,536	685,813
Rate	0.07 %	0.06	0.07	0.06	0.06
Time deposits under \$100,000	\$ 1,248,294	1,262,280	1,279,811	1,307,601	1,338,994
Rate	0.64 %	0.64	0.65	0.65	0.66
Time deposits over \$100,000	\$ 2,030,242	2,016,116	2,006,302	2,033,193	2,086,851
Rate	0.88 %	0.89	0.89	0.88	0.88
Non maturing brokered deposits	\$ 634,596	451,398	315,006	297,925	221,817
Rate	0.29 %	0.39	0.48	0.31	0.31
Brokered time deposits	\$ 775,143	885,603	780,232	887,168	1,135,346
Rate	0.88 %	0.85	0.83	0.76	0.71
<b>Total interest bearing deposits</b>	<b>\$ 16,987,383</b>	<b>16,677,691</b>	<b>16,398,039</b>	<b>16,398,056</b>	<b>16,318,187</b>
Rate	0.37 %	0.39	0.39	0.40	0.42
Federal funds purchased and securities sold under repurchase agreements	\$ 247,378	221,276	177,921	158,810	207,894
Rate	0.09 %	0.09	0.10	0.08	0.09
Long-term debt	\$ 2,114,193	2,279,043	2,361,973	2,007,924	2,072,455
Rate	2.71 %	2.55	2.55	2.63	2.46
<b>Total interest bearing liabilities</b>	<b>\$ 19,348,954</b>	<b>19,178,010</b>	<b>18,937,933</b>	<b>18,564,790</b>	<b>18,598,536</b>
Rate	0.63 %	0.65	0.66	0.65	0.65
Non-interest bearing demand deposits	\$ 7,042,908	6,930,336	6,812,223	6,846,200	6,541,832
Effective cost of funds	0.44 %	0.46	0.46	0.45	0.46
<b>Net interest margin</b>	<b>3.27 %</b>	<b>3.27</b>	<b>3.27</b>	<b>3.18</b>	<b>3.14</b>
Taxable equivalent adjustment	\$ 330	329	305	311	315

(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

**NON-PERFORMING LOANS COMPOSITION****(Unaudited)**

(Dollars in thousands)

Loan Type	Total Non-performing Loans		3Q16 vs. 2Q16 % change <sup>(1)</sup>	Total Non-performing Loans	
	September 30, 2016	June 30, 2016		September 30, 2015	3Q16 vs. 3Q15 % change
Multi-Family	\$ 3,912	4,070	(15.4) %	\$ 221	nm
Hotels	346	5,052	(370.6)	392	(11.7) %
Office Buildings	931	2,563	(253.3)	355	162.3
Shopping Centers	354	358	(4.4)	-	nm
Warehouses	1,108	1,128	(7.1)	397	179.1
Other Investment Property	2,233	978	nm	9,217	(75.8)
<b>Total Investment Properties</b>	<b>8,884</b>	<b>14,149</b>	<b>(148.0)</b>	<b>10,582</b>	<b>(16.0)</b>
1-4 Family Construction	304	304	0.0	-	nm
1-4 Family Investment Mortgage	7,658	7,994	(16.7)	7,287	5.1
Residential Development	9,190	9,571	(15.8)	9,707	(5.3)
<b>Total 1-4 Family Properties</b>	<b>17,152</b>	<b>17,869</b>	<b>(16.0)</b>	<b>16,994</b>	<b>0.9</b>
<b>Land Acquisition</b>	<b>6,672</b>	<b>7,610</b>	<b>(49.0)</b>	<b>19,010</b>	<b>(64.9)</b>
<b>Total Commercial Real Estate</b>	<b>32,708</b>	<b>39,628</b>	<b>(69.5)</b>	<b>46,586</b>	<b>(29.8)</b>
Commercial, Financial, and Agricultural Owner-Occupied	49,874	55,821	(42.4)	50,656	(1.5)
	21,443	17,118	100.5	18,148	18.2
<b>Total Commercial &amp; Industrial</b>	<b>71,317</b>	<b>72,939</b>	<b>(8.8)</b>	<b>68,804</b>	<b>3.7</b>
Home Equity Lines	19,815	16,912	68.3	16,263	21.8
Consumer Mortgages	21,284	21,895	(11.1)	24,154	(11.9)
Credit Cards	-	-	-	-	-
Other Retail Loans	3,031	2,698	49.1	1,833	65.4
<b>Total Retail</b>	<b>44,130</b>	<b>41,505</b>	<b>25.2</b>	<b>42,250</b>	<b>4.4</b>
<b>Total</b>	<b>\$ 148,155</b>	<b>154,072</b>	<b>(15.3) %</b>	<b>\$ 157,640</b>	<b>(6.0) %</b>

(1) Percentage change is annualized.

**LOANS OUTSTANDING BY TYPE COMPARISON****(Unaudited)**

(Dollars in thousands)

Loan Type	Total Loans		3Q16 vs. 2Q16 % change <sup>(1)</sup>	Total Loans	
	September 30, 2016	June 30, 2016		September 30, 2015	3Q16 vs. 3Q15 % change
Multi-Family	\$ 1,553,275	1,528,192	6.5 %	\$ 1,345,687	15.4 %
Hotels	774,873	746,397	15.2	684,105	13.3
Office Buildings	1,575,190	1,559,631	4.0	1,388,965	13.4
Shopping Centers	917,284	926,147	(3.8)	944,690	(2.9)
Warehouses	522,170	535,889	(10.2)	545,346	(4.2)
Other Investment Property	626,674	624,405	1.4	648,783	(3.4)
<b>Total Investment Properties</b>	<b>5,969,466</b>	<b>5,920,661</b>	<b>3.3</b>	<b>5,557,576</b>	<b>7.4</b>
1-4 Family Construction	193,791	208,871	(28.7)	176,442	9.8
1-4 Family Investment Mortgage	727,897	758,463	(16.0)	777,196	(6.3)
Residential Development	149,366	160,446	(27.5)	158,120	(5.5)
<b>Total 1-4 Family Properties</b>	<b>1,071,054</b>	<b>1,127,780</b>	<b>(20.0)</b>	<b>1,111,758</b>	<b>(3.7)</b>
<b>Land Acquisition</b>	<b>425,058</b>	<b>459,254</b>	<b>(29.6)</b>	<b>538,127</b>	<b>(21.0)</b>
<b>Total Commercial Real Estate</b>	<b>7,465,578</b>	<b>7,507,695</b>	<b>(2.2)</b>	<b>7,207,461</b>	<b>3.6</b>
Commercial, Financial, and Agricultural Owner-Occupied	6,544,629	6,596,835	(3.1)	6,260,563	4.5
	4,471,365	4,358,595	10.3	4,265,409	4.8
<b>Total Commercial &amp; Industrial</b>	<b>11,015,994</b>	<b>10,955,430</b>	<b>2.2</b>	<b>10,525,972</b>	<b>4.7</b>
Home Equity Lines	1,638,844	1,657,109	(4.4)	1,684,046	(2.7)
Consumer Mortgages	2,243,154	2,132,114	20.7	1,888,456	18.8
Credit Cards	232,309	236,034	(6.3)	241,315	(3.7)
Other Retail Loans	693,204	600,153	61.7	345,426	100.7
<b>Total Retail</b>	<b>4,807,511</b>	<b>4,625,410</b>	<b>15.7</b>	<b>4,159,243</b>	<b>15.6</b>
<b>Unearned Income</b>	<b>(26,196)</b>	<b>(27,627)</b>	<b>(20.6)</b>	<b>(28,367)</b>	<b>(7.7)</b>
<b>Total</b>	<b>\$ 23,262,887</b>	<b>23,060,908</b>	<b>3.5 %</b>	<b>\$ 21,864,309</b>	<b>6.4 %</b>

(1) Percentage change is annualized.

# Synovus

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## CREDIT QUALITY DATA

(Unaudited)

(Dollars in thousands)

		2016			2015		3rd Quarter
		Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	'16 vs. '15 Change
Non-performing Loans	\$	148,155	154,072	178,167	168,370	157,640	(6.0) %
Impaired Loans Held for Sale <sup>(1)</sup>		2,473	-	-	-	-	nm
Other Real Estate		28,438	33,289	38,462	47,030	64,346	(55.8)
Non-performing Assets		179,066	187,361	216,629	215,400	221,986	(19.3)
Allowance for loan losses		253,817	255,076	254,516	252,496	250,900	1.2
Net Charge-Offs - Quarter		6,930	6,133	7,357	3,425	6,758	2.5
Net Charge-Offs / Average Loans - Quarter <sup>(2)</sup>		0.12 %	0.11	0.13	0.06	0.12	
Non-performing Loans / Loans		0.64	0.67	0.78	0.75	0.72	
Non-performing Assets / Loans, Other Loans Held for Sale & ORE		0.77	0.81	0.95	0.96	1.01	
Allowance / Loans		1.09	1.11	1.12	1.13	1.15	
Allowance / Non-performing Loans		171.32	165.56	142.85	149.96	159.16	
Allowance / Non-performing Loans <sup>(3)</sup>		198.94	195.25	173.64	189.47	205.90	
Past Due Loans over 90 days and Still Accruing	\$	5,358	5,964	3,214	2,621	2,998	78.7
As a Percentage of Loans Outstanding		0.02 %	0.03	0.01	0.01	0.01	
Total Past Due Loans and Still Accruing	\$	61,781	55,716	63,852	47,912	39,350	57.0
As a Percentage of Loans Outstanding		0.27 %	0.24	0.28	0.21	0.18	
Accruing Troubled Debt Restructurings (TDRs)	\$	201,896	205,165	209,159	223,873	240,370	(16.0)

(1) Represent impaired loans that are intended to be sold. Held for sale loans are carried at the lower of cost or fair value, less costs to sell.

(2) Ratio is annualized.

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

## SELECTED CAPITAL INFORMATION <sup>(1)</sup>

(Unaudited)

(Dollars in thousands)

	September 30, 2016	June 30, 2016	September 30, 2015
Tier 1 Capital	\$ 2,620,379	2,627,572	2,637,462
Total Risk-Based Capital	3,136,814	3,146,897	2,990,099
Common Equity Tier 1 Ratio (transitional)	9.97 %	10.01	10.60
Common Equity Tier 1 Ratio (fully phased-in)	9.49	9.49	9.98
Tier 1 Capital Ratio	10.07	10.06	10.60
Total Risk-Based Capital Ratio	12.05	12.05	12.02
Tier 1 Leverage Ratio	8.98	9.10	9.45
Common Equity as a Percentage of Total Assets <sup>(2)</sup>	9.35	9.59	10.26
Tangible Common Equity as a Percentage of Tangible Assets <sup>(3)</sup>	9.28	9.52	10.18
Tangible Common Equity as a Percentage of Risk Weighted Assets <sup>(3)</sup>	10.58	10.72	11.52
Book Value Per Common Share <sup>(4)</sup>	22.89	22.78	22.13
Tangible Book Value Per Common Share <sup>(3)</sup>	22.69	22.58	21.91

(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.