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**Synovus Announces Earnings for the Third Quarter 2018**

*Diluted Earnings per Share of \$0.84 vs. \$0.78 in 3Q17*

*Adjusted Diluted Earnings per Share of \$0.95, up 46% vs. 3Q17*

**COLUMBUS, Ga., October 23, 2018** – Synovus Financial Corp. (NYSE: SNV) today reported financial results for the quarter ended September 30, 2018.

**Third Quarter Highlights**

- Net income available to common shareholders was \$99.3 million or \$0.84 per diluted share as compared to \$108.6 million or \$0.91 per diluted share for the second quarter 2018 and \$95.4 million or \$0.78 per diluted share for the third quarter 2017.
  - Adjusted diluted earnings per share were \$0.95 as compared to \$0.92 for the second quarter 2018 and \$0.65 for the third quarter 2017.
- Return on average assets was 1.36% and adjusted return on average assets was 1.47%.
- Return on average common equity was 13.95%, adjusted return on average common equity was 15.69%, and adjusted return on average tangible common equity was 16.08%.
- Total loans ended the quarter at \$25.58 billion, up \$443.1 million or 7.0% annualized from the previous quarter and up \$1.09 billion or 4.5% as compared to the third quarter 2017.
- Total average deposits grew \$119.2 million or 1.8% annualized from the previous quarter and \$1.10 billion or 4.4% as compared to the third quarter 2017.
- Net interest margin was 3.89%, up 3 basis points from the previous quarter and up 26 basis points from the third quarter 2017.
- Efficiency ratio was 60.62%, compared to 56.78% in the second quarter 2018 and 50.62% in the prior-year quarter. Adjusted efficiency ratio was 55.55%, versus 56.41% in the previous quarter and 58.59% in the third quarter 2017.
- Credit quality metrics remained favorable, with a non-performing asset ratio of 46 basis points, down 4 basis points from the previous quarter and down 11 basis points from the third quarter 2017.
- The effective year-to-date tax rate through the third quarter 2018 was 19.8% compared to 34.6% in the prior-year quarter.

“Our team again delivered solid performance during the third quarter, achieving broad-based loan growth, margin expansion, and sustained positive operating leverage,” said Kessel Stelling, Synovus chairman and CEO. “We also celebrated the recent recognition of our company as one of *American Banker’s* Best Places to Work, driven by our people-centered culture. We expect a strong finish in 2018 as our investments in talent, capabilities, and specialized lines of business drive meaningful growth, and we look forward to welcoming Florida Community Bank customers and team members to Synovus early next year.”

## Balance Sheet

- Total loans ended the quarter at \$25.58 billion, up \$443.1 million or 7.0% annualized from the previous quarter and up \$1.09 billion or 4.5% as compared to the third quarter 2017.
  - Commercial and industrial loans grew by \$227.8 million or 7.4% annualized from the previous quarter and \$776.2 million or 6.6% as compared to the third quarter 2017.
  - Consumer loans grew by \$148.1 million or 9.4% annualized from the previous quarter and \$827.6 million or 14.9% as compared to the third quarter 2017.
  - Commercial real estate loans grew \$68.2 million or 4.1% annualized from the previous quarter and declined \$514.5 million or 7.1% as compared to the third quarter 2017.
- Total average loans were \$25.32 billion, up \$376.3 million or 6.0% annualized from the previous quarter and up \$822.7 million or 3.4% as compared to the third quarter 2017.
- Total average deposits were \$26.39 billion, up \$119.2 million or 1.8% annualized from the previous quarter and up \$1.10 billion or 4.4% as compared to the third quarter 2017.
  - Excluding brokered deposits, average deposits increased \$269.2 million or 4.4% annualized from the previous quarter.

## Core Performance

- Total revenues were \$363.3 million, up \$4.0 million from the previous quarter and down \$34.7 million or 8.7% from the third quarter 2017.
  - Adjusted total revenues were \$363.0 million, up \$3.6 million from the previous quarter and up \$31.7 million or 9.6% from the third quarter 2017.
- Net interest income was \$291.6 million, up \$7.0 million or 2.5% from the previous quarter and up 11.1% from the third quarter 2017.
- Net interest margin was 3.89%, up 3 basis points from the previous quarter. Yield on earning assets was 4.58%, up 11 basis points from the previous quarter, and the effective cost of funds was 0.69%, up 8 basis points from the previous quarter.
- Total non-interest income was \$71.7 million, down \$1.7 million from the previous quarter and down \$63.7 million from the third quarter 2017, which included the \$75 million Cabela's transaction fee, partially offset by \$8.0 million in investment securities losses.
  - Adjusted non-interest income was \$71.2 million, down \$3.5 million or 4.7% from the previous quarter and up \$2.8 million or 4.1% year-over-year.
- Core banking fees<sup>1</sup> were \$35.7 million, down \$1.7 million or 4.7% from the previous quarter and flat from third quarter 2017.
- Fiduciary and asset management fees, brokerage revenue, and insurance revenues were \$23.9 million, down \$825 thousand from the previous quarter and up \$2.8 million or 13.0% from the prior-year quarter.
- Mortgage banking income was \$5.3 million, up 9.3% from the previous quarter and down 5.6% from the third quarter 2017.

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<sup>1</sup> 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.

- Total non-interest expense was \$220.3 million, up \$16.2 million or 8.0% from the previous quarter and up 7.1% year-over-year.
  - Adjusted non-interest expense was \$201.6 million, a decline of \$1.1 million from the previous quarter and an increase of \$7.5 million or 3.9% from the third quarter 2017.
    - Employment expense of \$114.3 million increased 2.2% from the previous quarter and increased 4.3% from the third quarter 2017.
    - Occupancy and equipment expense of \$32.1 million declined 1.7% from the previous quarter and increased 5.0% from the prior-year quarter.
    - Adjusted other expenses of \$55.2 million decreased \$3.0 million or 5.1% from the previous quarter and increased 2.5% from the third quarter 2017.
- Efficiency ratio was 60.62%, compared to 56.78% in the second quarter 2018 and 50.62% in the prior-year quarter.
  - Adjusted efficiency ratio was 55.55%, versus 56.41% in the previous quarter and 58.59% in the third quarter 2017.

### **Credit Quality**

- Non-performing loans were \$108.4 million at September 30, 2018, down \$8.9 million or 7.6% from June 30, 2018, and up \$10.6 million or 10.8% from September 30, 2017. The non-performing loan ratio was 0.42% at September 30, 2018, compared to 0.47% at June 30, 2018, and 0.40% at September 30, 2017.
- Total non-performing assets were \$117.0 million at September 30, 2018, down \$9.4 million or 7.4% from June 30, 2018, and down \$21.6 million or 15.6% from September 30, 2017. The non-performing asset ratio was 0.46% at September 30, 2018, as compared to 0.50% at June 30, 2018, and 0.57% at September 30, 2017.
- Net charge-offs were \$15.3 million in the third quarter 2018, down \$2.5 million from the previous quarter and down \$23.2 million from \$38.1 million in the third quarter 2017. The annualized net charge-off ratio was 0.24% in the third quarter as compared to 0.29% in the previous quarter.
- Total delinquencies (consisting of loans 30 or more days past due and still accruing) remained low at 0.31% of total loans at September 30, 2018, up from 0.22% in the previous quarter and down 4 basis points from September 30, 2017.

### **Capital Ratios**

- Ratios reflect repurchase of \$58 million in common stock during the third quarter.
  - We anticipate that the full share repurchase authorization of \$150 million will be completed by October 26, 2018.
- On August 1, 2018, Synovus redeemed all of its outstanding Series C Preferred Stock.
- Common Equity Tier 1 ratio was 9.92% at September 30, 2018, compared to 10.06% at September 30, 2017.
- Tier 1 Capital ratio was 10.59% at September 30, 2018, compared to 10.43% at September 30, 2017.
- Total Risk Based Capital ratio was 12.37% at September 30, 2018, compared to 12.30% at September 30, 2017.
- Tier 1 Leverage ratio was 9.58% at September 30, 2018, compared to 9.34% at September 30, 2017.
- Tangible Common Equity ratio was 8.68% at September 30, 2018, compared to 8.88% at September 30, 2017.

### Third Quarter Earnings Conference Call

Synovus will host an earnings highlights conference call at 8:30 a.m. EDT on October 23, 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](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.** 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 249 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 10 "Most Reputable Banks" by *American Banker* and the Reputation Institute for four consecutive years. Synovus is on the web at [synovus.com](http://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, strategic transactions, 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 other expenses; adjusted total revenues; adjusted efficiency ratio; adjusted earnings per diluted share; adjusted return on average assets; 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; other expenses; total revenues; efficiency ratio; 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 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), changes in the fair value of private equity investments, net, and the Cabela’s transaction fee. Adjusted non-interest expense, adjusted other expenses, 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, 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. 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>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>
<b>Adjusted non-interest income</b>			
Total non-interest income	\$71,668	\$73,387	\$135,435
Add: Investment securities losses, net	-	1,296	7,956
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(434)	37	27
Subtract: Cabela's Transaction Fee	-	-	<u>(75,000)</u>
Adjusted non-interest income	<u>\$71,234</u>	<u>\$74,720</u>	<u>\$68,418</u>
<b>Adjusted non-interest expense and adjusted other expenses</b>			
Total non-interest expense	\$ 220,297	\$ 204,057	\$205,646
Add/subtract: Litigation settlement/contingency expense	-	1,400	(401)
Subtract: Discounts to fair value for completed or planned ORE accelerated dispositions	-	-	(7,082)
Subtract: Asset impairment charges related to accelerated disposition of corporate real estate and other properties	-	-	(1,168)
Subtract: Earnout liability adjustments	(11,652)	-	(2,059)
Subtract: Restructuring charges, net	(21)	(103)	(519)
Subtract: Amortization of intangibles	(292)	(292)	(292)
Subtract: Merger-related expense	(6,684)	-	(23)
Subtract: Valuation adjustment to Visa derivative	-	<u>(2,328)</u>	-
Adjusted non-interest expense	\$ 201,648	\$ 202,734	\$194,102
Subtract: Salaries and other personnel expense	(114,341)	(111,863)	(109,675)
Subtract: Net occupancy and equipment expense	<u>(32,088)</u>	<u>(32,654)</u>	<u>(30,573)</u>
Adjusted other expenses	\$55,219	\$58,217	\$53,854
<b>Adjusted total revenues and adjusted efficiency ratio</b>			
Adjusted non-interest expense	\$ 201,648	\$ 202,734	\$194,102
Net interest income	291,619	284,577	262,572
Add: Tax equivalent adjustment	136	120	283
Add: Total non-interest income	71,668	73,387	135,435
Add: Investment securities losses, net	-	<u>1,296</u>	<u>7,956</u>
Total FTE revenues	363,423	359,380	406,246
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(434)	37	27
Subtract: Cabela's Transaction Fee	-	-	<u>(75,000)</u>
Adjusted total revenues	\$ 362,989	\$ 359,417	\$331,273
Efficiency ratio	60.62%	56.78%	50.62%
Adjusted efficiency ratio	<u>55.55%</u>	<u>56.41%</u>	<u>58.59%</u>

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

(in thousands, except per share data)	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>
<b>Adjusted earnings per diluted share</b>			
Net income available to common shareholders	\$ 99,330	\$ 108,622	\$95,448
Subtract: Income tax benefit related to effects of State Tax Reform	-	(608)	-
Add: Earnout liability adjustments	11,652	-	2,059
Subtract: Income taxes	(9,865)	-	-
Add: Preferred stock redemption	4,020	-	-
Add: Merger-related expense	6,684	-	23
Subtract/add: Litigation settlement/contingency expense	-	(1,400)	401
Add: Provision expense on loans transferred to held-for-sale	-	-	27,710
Add: Discounts to fair value for completed or planned ORE accelerated dispositions	-	-	7,082
Add: Asset impairment charges related to accelerated disposition of corporate real estate and other properties	-	-	1,168
Add: Restructuring charges, net	21	103	519
Add: Amortization of intangibles	292	292	292
Add: Valuation adjustment to Visa derivative	-	2,328	-
Add: Investment securities losses, net	-	1,296	7,956
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(434)	37	27
Subtract: Cabela's Transaction Fee	-	-	(75,000)
Add/subtract: Tax effect of adjustments	<u>27</u>	<u>(624)</u>	<u>11,034</u>
Adjusted net income available to common shareholders	\$ 111,727	\$ 110,046	\$78,719
Weighted average common shares outstanding, diluted	118,095	119,139	121,814
Adjusted earnings per diluted share	<u>\$0.95</u>	<u>\$0.92</u>	<u>\$0.65</u>

## Reconciliation of Non-GAAP Financial Measures, continued

(dollars in thousands)

	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>
<b>Adjusted return on average assets</b>			
Net income	\$ 109,059	\$ 111,181	\$98,007
Subtract: Income tax benefit related to effects of State Tax Reform	-	(608)	-
Add: Earnout liability adjustments	11,652	-	2,059
Subtract: Income taxes	(9,865)	-	-
Add: Merger-related expense	6,684	-	23
Subtract/add: Litigation settlement/contingency expense	-	(1,400)	401
Add: Provision expense on loans transferred to held-for-sale	-	-	27,710
Add: Discounts to fair value for completed or planned ORE accelerated dispositions	-	-	7,082
Add: Asset impairment charges related to accelerated disposition of corporate real estate and other properties	-	-	1,168
Add: Restructuring charges, net	21	103	519
Add: Amortization of intangibles	292	292	292
Add: Valuation adjustment to Visa derivative	-	2,328	-
Add: Investment securities losses, net	-	1,296	7,956
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(434)	37	27
Subtract: Cabela's Transaction Fee	-	-	(75,000)
Add/subtract: Tax effect of adjustments	<u>27</u>	<u>(624)</u>	<u>11,034</u>
Adjusted net income	\$ 117,436	\$ 112,605	\$81,278
Adjusted net income annualized	\$465,915	\$451,657	\$322,462
Total average assets	\$31,725,604	\$31,502,758	\$30,678,388
Adjusted return on average assets	1.47%	1.43%	1.05%



## Reconciliation of Non-GAAP Financial Measures, continued

(dollars in thousands)

	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>
<b>Adjusted return on average common equity and adjusted return on average tangible common equity</b>			
Net income available to common shareholders	\$ 99,330	\$ 108,622	\$95,448
Subtract: Income tax benefit related to effects of State Tax Reform	-	(608)	-
Add: Earnout liability adjustments	11,652	-	2,059
Subtract: Income taxes	(9,865)	-	-
Add: Preferred stock redemption	4,020	-	-
Add: Merger-related expense	6,684	-	23
Subtract/add: Litigation settlement/contingency expense	-	(1,400)	401
Add: Provision expense on loans transferred to held-for-sale	-	-	27,710
Add: Discounts to fair value for completed or planned ORE accelerated dispositions	-	-	7,082
Add: Asset impairment charges related to accelerated disposition of corporate real estate and other properties	-	-	1,168
Add: Restructuring charges, net	21	103	519
Add: Amortization of intangibles	292	292	292
Add: Valuation adjustment to Visa derivative	-	2,328	-
Add: Investment securities losses, net	-	1,296	7,956
Subtract/add: (Increase) decrease in fair value of private equity investments, net	(434)	37	27
Subtract: Cabela's Transaction Fee	-	-	(75,000)
Add/subtract: Tax effect of adjustments	<u>27</u>	<u>(624)</u>	<u>11,034</u>
Adjusted net income available to common shareholders	\$ 111,727	\$ 110,046	\$78,719
Adjusted net income annualized	\$443,265	\$441,393	\$312,309
Total average shareholders' equity less preferred stock	\$2,824,707	\$2,831,368	\$2,859,491
Subtract: Goodwill	(57,315)	(57,315)	(57,167)
Subtract: Other intangibles assets, net	<u>(10,265)</u>	<u>(10,555)</u>	<u>(11,648)</u>
Total average tangible shareholders' equity less preferred stock	\$2,757,127	\$2,763,498	\$2,790,676
Adjusted return on average common equity	<u>15.69%</u>	<u>15.59%</u>	<u>10.92%</u>
Adjusted return on average tangible common equity	<u>16.08%</u>	<u>15.97%</u>	<u>11.19%</u>

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

*(dollars in thousands)*

	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>
<b>Tangible common equity ratio</b>			
Total assets	\$32,075,120	\$31,740,305	\$31,642,123
Subtract: Goodwill	(57,315)	(57,315)	(57,315)
Subtract: Other intangible assets, net	<u>(10,166)</u>	<u>(10,458)</u>	<u>(11,548)</u>
Tangible assets	<u>\$ 32,007,639</u>	<u>\$ 31,672,532</u>	<u>\$31,573,260</u>
Total shareholders' equity	\$ 3,040,073	\$ 3,167,694	\$ 2,997,078
Subtract: Goodwill	(57,315)	(57,315)	(57,315)
Subtract: Other intangible assets, net	(10,166)	(10,458)	(11,548)
Subtract: Preferred Stock	<u>(195,138)</u>	<u>(321,118)</u>	<u>(125,980)</u>
Tangible common equity	<u>\$ 2,777,454</u>	<u>\$ 2,778,803</u>	<u>\$ 2,802,235</u>
Total shareholders' equity to total assets ratio	9.48%	9.98%	9.47%
Tangible common equity ratio	8.68%	8.77%	8.88%

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

Common equity Tier 1 (CET1)	\$2,846,417
Subtract: Adjustment related to capital components	<u>(2,785)</u>
CET1 (fully phased-in)	<u>\$ 2,843,632</u>
Total risk-weighted assets	\$28,701,637
Total risk-weighted assets (fully phased-in)	\$ 28,808,199
Common equity Tier 1 (CET 1) ratio	9.92%
Common equity Tier 1 (CET1) ratio (fully phased-in)	9.87%

# Synovus

## INCOME STATEMENT DATA (Unaudited)

(Dollars in thousands, except per share data)

Nine Months Ended

	September 30,		
	2018	2017	% Change
Interest income	\$ 986,911	855,563	15.4 %
Interest expense	136,431	101,966	33.8
Net interest income	850,480	753,597	12.9
Provision for loan losses	39,548	58,620	(32.5)
Net interest income after provision for loan losses	810,932	694,977	16.7
Non-interest income:			
Service charges on deposit accounts	60,521	61,048	(0.9)
Fiduciary and asset management fees	40,881	37,290	9.6
Card fees	31,640	29,614	6.8
Brokerage revenue	26,924	21,947	22.7
Mortgage banking income	15,177	17,151	(11.5)
Income from bank-owned life insurance	11,720	9,560	22.6
Cabela's Transaction Fee	-	75,000	nm
Investment securities losses, net	(1,296)	(289)	nm
Decrease in fair value of private equity investments, net	(2,659)	(3,193)	nm
Other fee income	14,387	16,127	(10.8)
Other non-interest income	14,806	11,719	26.3
Total non-interest income	212,101	275,974	(23.1)
Non-interest expense:			
Salaries and other personnel expense	339,924	322,079	5.5
Net occupancy and equipment expense	96,222	89,837	7.1
Third-party processing expense	43,822	39,882	9.9
FDIC insurance and other regulatory fees	19,765	20,723	(4.6)
Professional fees	18,087	20,048	(9.8)
Advertising expense	14,046	14,868	(5.5)
Foreclosed real estate expense, net	1,110	10,847	(89.8)
Earnout liability adjustments	11,652	3,766	nm
Merger-related expense	6,684	110	nm
Amortization of intangibles	875	767	14.1
Valuation adjustment to Visa derivative	2,328	-	nm
Litigation settlement/contingency expense	(4,026)	401	nm
Restructuring charges, net	(191)	7,043	nm
Other operating expenses	69,233	64,409	7.5
Total non-interest expense	619,531	594,780	4.2
Income before income taxes	403,502	376,171	7.3
Income tax expense	80,095	130,303	(38.5)
Net income	323,407	245,868	31.5
Preferred stock dividends and redemption	14,848	7,678	93.4
Net income available to common shareholders	\$ 308,559	238,190	29.5 %
Net income per common share, basic	\$ 2.61	1.96	33.6 %
Net income per common share, diluted	2.60	1.94	33.7
Cash dividends declared per common share	0.75	0.45	66.7
Return on average assets*	1.37 %	1.07	30 bps
Return on average common equity*	14.65	11.20	345
Weighted average common shares outstanding, basic	118,096	121,796	(3.0) %
Weighted average common shares outstanding, diluted	118,847	122,628	(3.1)

nm - not meaningful

bps - basis points

\* - ratios are annualized

# Synovus

## INCOME STATEMENT DATA

(Unaudited)

(In thousands, except per share data)

	2018			2017		Year/Year % Change
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	
Interest income	\$ 343,942	329,834	313,134	306,934	297,652	15.6 %
Interest expense	52,323	45,257	38,850	37,221	35,080	49.2
Net interest income	291,619	284,577	274,284	269,713	262,572	11.1
Provision for loan losses	14,982	11,790	12,776	8,565	39,686	(62.2)
Net interest income after provision for loan losses	276,637	272,787	261,508	261,148	222,886	24.1
Non-interest income:						
Service charges on deposit accounts	20,582	19,999	19,940	20,372	20,678	(0.5)
Fiduciary and asset management fees	13,462	13,983	13,435	13,195	12,615	6.7
Card fees	10,608	10,833	10,199	9,762	9,729	9.0
Brokerage revenue	9,329	8,900	8,695	7,758	7,511	24.2
Mortgage banking income	5,290	4,839	5,047	5,645	5,603	(5.6)
Income from bank-owned life insurance	3,771	3,733	4,217	3,900	3,232	16.7
Cabela's Transaction Fee	-	-	-	-	75,000	nm
Investment securities losses, net	-	(1,296)	-	-	(7,956)	nm
Increase/(decrease) in fair value of private equity investments, net	434	(37)	(3,056)	100	(27)	nm
Other fee income	4,510	5,259	4,618	4,042	5,094	(11.5)
Other non-interest income	3,682	7,174	3,951	4,578	3,956	(6.9)
Total non-interest income	71,668	73,387	67,046	69,352	135,435	(47.1)
Non-interest expense:						
Salaries and other personnel expense	114,341	111,863	113,720	111,243	109,675	4.3
Net occupancy and equipment expense	32,088	32,654	31,480	30,126	30,573	5.0
Third-party processing expense	14,810	15,067	13,945	14,827	13,659	8.4
FDIC insurance and other regulatory fees	6,430	6,543	6,793	6,288	7,078	(9.2)
Professional fees	6,298	6,284	5,505	6,183	7,141	(11.8)
Advertising expense	3,735	5,220	5,092	8,081	3,610	3.5
Foreclosed real estate expense, net	360	(107)	856	1,693	7,265	(95.0)
Earnout liability adjustments	11,652	-	-	1,700	2,059	nm
Merger-related expense	6,684	-	-	-	23	nm
Amortization of intangibles	292	292	292	292	292	-
Valuation adjustment to Visa derivative	-	2,328	-	-	-	-
Loss on early extinguishment of debt	-	-	-	23,160	-	-
Litigation settlement/contingency expense	-	(1,400)	(2,626)	300	401	nm
Restructuring charges, net	21	103	(315)	(29)	519	(96.0)
Other operating expenses	23,586	25,210	20,437	22,670	23,351	1.0
Total non-interest expense	220,297	204,057	195,179	226,534	205,646	7.1
Income before income taxes	128,008	142,117	133,375	103,966	152,675	(16.2)
Income tax expense	18,949	30,936	30,209	74,361	54,668	(65.3)
Net income	109,059	111,181	103,166	29,605	98,007	11.3
Preferred stock dividends and redemption	9,729	2,559	2,559	2,559	2,559	nm
Net income available to common shareholders	\$ 99,330	108,622	100,607	27,046	95,448	4.1 %
Net income per common share, basic	\$ 0.85	0.92	0.85	0.23	0.79	7.3 %
Net income per common share, diluted	0.84	0.91	0.84	0.23	0.78	7.3
Cash dividends declared per common share	0.25	0.25	0.25	0.15	0.15	66.7
Return on average assets *	1.36 %	1.42 %	1.34	0.37	1.27	9 bps
Return on average common equity *	13.95	15.39	14.62	3.76	13.24	71
Weighted average common shares outstanding, basic	117,241	118,397	118,666	119,282	120,900	(3.0) %
Weighted average common shares outstanding, diluted	118,095	119,139	119,321	120,182	121,814	(3.1)

nm - not meaningful

bps - basis points

\* - ratios are annualized

# Synovus

## BALANCE SHEET DATA (Unaudited)

(In thousands, except share data)

### ASSETS

	September 30, 2018	December 31, 2017	September 30, 2017
Cash and due from banks	\$ 436,540	397,848	386,459
Interest bearing funds with Federal Reserve Bank	515,493	460,928	1,297,581
Interest earning deposits with banks	34,470	26,311	6,047
Federal funds sold and securities purchased under resale agreements	25,430	47,846	48,820
Cash and cash equivalents	<u>1,011,933</u>	<u>932,933</u>	<u>1,738,907</u>
Mortgage loans held for sale, at fair value	37,276	48,024	54,072
Investment securities available for sale, at fair value	3,883,574	3,987,069	3,825,443
Loans, net of deferred fees and costs	25,577,116	24,787,464	24,487,360
Allowance for loan losses	(251,450)	(249,268)	(249,683)
Loans, net	<u>25,325,666</u>	<u>24,538,196</u>	<u>24,237,677</u>
Cash surrender value of bank-owned life insurance	551,061	540,958	536,985
Premises and equipment, net	431,012	426,813	423,245
Goodwill	57,315	57,315	57,315
Other intangible assets	10,166	11,254	11,548
Deferred tax asset, net	185,116	165,788	272,052
Other assets	<u>582,001</u>	<u>513,487</u>	<u>484,879</u>
Total assets	<u>\$ 32,075,120</u>	<u>31,221,837</u>	<u>31,642,123</u>

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### Liabilities:

Deposits:			
Non-interest bearing deposits	\$ 7,628,736	7,686,339	7,302,682
Interest-bearing deposits	<u>18,804,922</u>	<u>18,461,561</u>	<u>18,883,546</u>
Total deposits	26,433,658	26,147,900	26,186,228
Federal funds purchased and securities sold under repurchase agreements	191,145	161,190	141,539
Other short-term borrowings	478,540	100,000	-
Long-term debt	1,656,909	1,606,138	1,882,607
Other liabilities	<u>274,795</u>	<u>245,043</u>	<u>434,671</u>
Total liabilities	<u>29,035,047</u>	<u>28,260,271</u>	<u>28,645,045</u>

#### Shareholders' equity:

Series D Preferred Stock - no par value. 8,000,000 shares outstanding at September 30, 2018	195,138	-	-
Series C Preferred Stock - no par value. 5,200,000 shares outstanding at December 31, 2017 and September 30, 2017	-	125,980	125,980
Common stock - \$1.00 par value. 116,714,463 shares outstanding at September 30, 2018, 118,897,295 shares outstanding at December 31, 2017, and 119,566,625 shares outstanding at September 30, 2017	143,093	142,678	142,525
Additional paid-in capital	3,049,233	3,043,129	3,033,682
Treasury stock, at cost - 26,378,854 shares at September 30, 2018, 23,780,154 shares at December 31, 2017, and 22,958,514 shares at September 30, 2017	(974,478)	(839,674)	(800,509)
Accumulated other comprehensive loss	(143,720)	(54,754)	(39,596)
Retained earnings	<u>770,807</u>	<u>544,207</u>	<u>534,996</u>
Total shareholders' equity	<u>3,040,073</u>	<u>2,961,566</u>	<u>2,997,078</u>
Total liabilities and shareholders' equity	<u>\$ 32,075,120</u>	<u>31,221,837</u>	<u>31,642,123</u>

## Synovus

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

(Unaudited)

(Dollars in thousands)

		2018			2017	
		Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
<b>Interest Earning Assets</b>						
Taxable investment securities <sup>(2)</sup>	\$	4,061,239	4,077,564	4,097,162	3,937,278	3,786,436
Yield		2.38 %	2.34	2.34	2.29	2.11
Tax-exempt investment securities <sup>(2) (4)</sup>	\$	89	115	140	180	259
Yield (taxable equivalent)		5.91 %	6.87	6.57	7.97	7.86
Trading account assets <sup>(5)</sup>	\$	16,646	23,772	8,167	7,360	7,823
Yield		2.52 %	2.79	2.66	2.78	2.09
Commercial loans <sup>(3) (4)</sup>	\$	19,025,830	18,857,271	18,963,515	18,935,774	19,059,936
Yield		4.98 %	4.85	4.64	4.49	4.41
Consumer loans <sup>(3)</sup>	\$	6,298,643	6,092,899	5,899,015	5,704,629	5,440,765
Yield		4.80 %	4.76	4.71	4.54	4.55
Allowance for loan losses	\$	(251,684)	(257,966)	(251,635)	(252,319)	(249,248)
Loans, net <sup>(3)</sup>	\$	25,072,789	24,692,204	24,610,895	24,388,084	24,251,453
Yield		4.99 %	4.88	4.70	4.55	4.49
Mortgage loans held for sale	\$	49,030	50,366	38,360	45,353	52,177
Yield		4.71 %	4.42	3.95	3.96	3.88
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	\$	544,704	724,537	516,575	922,296	543,556
Yield		1.90 %	1.77	1.48	1.31	1.23
Federal Home Loan Bank and Federal Reserve Bank stock <sup>(5)</sup>	\$	163,568	165,845	177,381	159,455	175,263
Yield		4.41 %	4.63	3.39	4.03	3.50
<b>Total interest earning assets</b>	<b>\$</b>	<b>29,908,065</b>	<b>29,734,403</b>	<b>29,448,680</b>	<b>29,460,006</b>	<b>28,816,967</b>
Yield		4.58 %	4.47	4.31	4.15	4.11
<b>Interest Bearing Liabilities</b>						
Interest bearing demand deposits	\$	4,701,204	5,001,826	5,032,000	4,976,239	4,868,372
Rate		0.38 %	0.35	0.31	0.28	0.27
Money market accounts	\$	7,936,621	7,791,107	7,561,554	7,514,992	7,528,036
Rate		0.72 %	0.55	0.43	0.36	0.34
Savings deposits	\$	824,935	829,800	811,587	804,853	803,184
Rate		0.03 %	0.03	0.03	0.03	0.03
Time deposits under \$100,000	\$	1,205,987	1,161,890	1,143,780	1,166,413	1,183,582
Rate		0.99 %	0.82	0.71	0.70	0.68
Time deposits over \$100,000	\$	2,273,582	2,021,084	1,895,545	2,004,031	2,067,347
Rate		1.46 %	1.22	1.02	0.99	0.97
Non-maturing brokered deposits	\$	358,277	262,976	424,118	546,413	547,466
Rate		2.10 %	1.94	1.14	0.81	0.73
Brokered time deposits	\$	1,414,700	1,659,941	1,527,793	1,651,920	983,423
Rate		1.94 %	1.85	1.75	1.63	1.16
<b>Total interest-bearing deposits</b>	<b>\$</b>	<b>18,715,306</b>	<b>18,728,624</b>	<b>18,396,377</b>	<b>18,664,861</b>	<b>17,981,410</b>
Rate		0.83 %	0.70	0.58	0.54	0.46
Federal funds purchased and securities sold under repurchase agreements	\$	230,504	207,655	202,226	184,369	191,585
Rate		0.25 %	0.35	0.21	0.15	0.08
Other short-term borrowings	\$	146,794	3,024	394,056	3,261	102,717
Rate		2.12 %	2.84	1.52	1.42	1.16
Long-term debt	\$	1,656,743	1,852,094	1,733,938	1,710,721	1,882,458
Rate		2.87 %	2.66	2.51	2.67	2.90
<b>Total interest-bearing liabilities</b>	<b>\$</b>	<b>20,749,347</b>	<b>20,791,397</b>	<b>20,726,597</b>	<b>20,563,212</b>	<b>20,158,170</b>
Rate		0.99 %	0.87	0.76	0.72	0.69
Non-interest bearing demand deposits	\$	7,672,006	7,539,451	7,391,695	7,621,147	7,305,508
Effective cost of funds		0.69 %	0.61	0.53	0.50	0.48
<b>Net interest margin</b>		<b>3.89 %</b>	<b>3.86</b>	<b>3.78</b>	<b>3.65</b>	<b>3.63</b>
Taxable equivalent adjustment	\$	136	120	116	234	283

(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.

## Synovus

### LOANS OUTSTANDING BY TYPE

(Unaudited)

(Dollars in thousands)

Loan Type	Total Loans September 30, 2018	Total Loans June 30, 2018	Linked Quarter % Change <sup>(1)</sup>	Total Loans September 30, 2017	Year/Year % Change
Commercial, Financial, and Agricultural Owner-Occupied	\$ 7,281,466	7,271,080	0.6 %	\$ 6,961,709	4.6 %
<b>Total Commercial &amp; Industrial</b>	<b>12,503,294</b>	<b>12,275,472</b>	<b>7.4</b>	<b>11,727,142</b>	<b>6.6</b>
Multi-Family	1,330,006	1,358,211	(8.2)	1,636,449	(18.7)
Hotels	760,885	755,125	3.0	832,990	(8.7)
Office Buildings	1,368,608	1,429,166	(16.8)	1,576,672	(13.2)
Shopping Centers	815,696	811,186	2.2	840,367	(2.9)
Warehouses	679,184	602,707	50.3	494,570	37.3
Other Investment Property	711,311	553,201	113.4	544,048	30.7
<b>Total Investment Properties</b>	<b>5,665,690</b>	<b>5,509,596</b>	<b>11.2</b>	<b>5,925,096</b>	<b>(4.4)</b>
1-4 Family Construction	183,044	177,140	13.2	195,273	(6.3)
1-4 Family Investment Mortgage	524,152	543,570	(14.2)	599,342	(12.5)
<b>Total 1-4 Family Properties</b>	<b>707,196</b>	<b>720,710</b>	<b>(7.4)</b>	<b>794,615</b>	<b>(11.0)</b>
Commercial Development	61,608	61,375	1.5	66,521	(7.4)
Residential Development	91,578	100,246	(34.3)	117,878	(22.3)
Land Acquisition	186,334	252,244	(103.7)	322,814	(42.3)
<b>Land and Development</b>	<b>339,520</b>	<b>413,865</b>	<b>(71.3)</b>	<b>507,213</b>	<b>(33.1)</b>
<b>Total Commercial Real Estate</b>	<b>6,712,406</b>	<b>6,644,171</b>	<b>4.1</b>	<b>7,226,924</b>	<b>(7.1)</b>
Consumer Mortgages	2,843,244	2,750,935	13.3	2,557,680	11.2
Home Equity Lines	1,465,419	1,453,855	3.2	1,528,889	(4.2)
Credit Cards	245,149	238,424	11.2	225,726	8.6
Other Consumer Loans	1,831,385	1,793,916	8.3	1,245,277	47.1
<b>Total Consumer</b>	<b>6,385,197</b>	<b>6,237,130</b>	<b>9.4</b>	<b>5,557,572</b>	<b>14.9</b>
<b>Unearned Income</b>	<b>(23,781)</b>	<b>(22,717)</b>	<b>18.6</b>	<b>(24,278)</b>	<b>(2.0)</b>
<b>Total</b>	<b>\$ 25,577,116</b>	<b>25,134,056</b>	<b>7.0 %</b>	<b>\$ 24,487,360</b>	<b>4.5 %</b>

(1) Percentage change is annualized.

### NON-PERFORMING LOANS COMPOSITION

(Unaudited)

(Dollars in thousands)

Loan Type	Total Non-performing Loans September 30, 2018	Total Non-performing Loans June 30, 2018	Linked Quarter % Change	Total Non-performing Loans September 30, 2017	Year/Year % Change
Commercial, Financial, and Agricultural Owner-Occupied	\$ 69,010	81,231	(15.0) %	\$ 58,139	18.7 %
<b>Total Commercial &amp; Industrial</b>	<b>74,718</b>	<b>87,307</b>	<b>(14.4)</b>	<b>62,099</b>	<b>20.3</b>
Multi-Family	234	176	33.0	1,096	(78.6)
Hotels	-	-	-	-	-
Office Buildings	166	670	(75.2)	234	(29.1)
Shopping Centers	89	412	(78.4)	327	(72.8)
Warehouses	-	21	nm	38	nm
Other Investment Property	1,666	459	263.0	367	nm
<b>Total Investment Properties</b>	<b>2,155</b>	<b>1,738</b>	<b>24.0</b>	<b>2,062</b>	<b>4.5</b>
1-4 Family Investment Mortgage	3,139	3,247	(3.3)	2,712	15.7
<b>Total 1-4 Family Properties</b>	<b>3,139</b>	<b>3,247</b>	<b>(3.3)</b>	<b>2,712</b>	<b>15.7</b>
Commercial Development	42	42	-	47	(10.6)
Residential Development	3,184	3,184	-	4,720	(32.5)
Land Acquisition	1,603	1,398	14.7	2,161	(25.8)
<b>Land and Development</b>	<b>4,829</b>	<b>4,624</b>	<b>4.4</b>	<b>6,928</b>	<b>(30.3)</b>
<b>Total Commercial Real Estate</b>	<b>10,123</b>	<b>9,609</b>	<b>5.3</b>	<b>11,702</b>	<b>(13.5)</b>
Consumer Mortgages	5,313	4,822	10.2	6,332	(16.1)
Home Equity Lines	14,498	14,265	1.6	15,638	(7.3)
Other Consumer Loans	3,773	1,325	184.8	2,067	82.5
<b>Total Consumer</b>	<b>23,584</b>	<b>20,412</b>	<b>15.5</b>	<b>24,037</b>	<b>(1.9)</b>
<b>Total</b>	<b>\$ 108,425</b>	<b>117,328</b>	<b>(7.6) %</b>	<b>\$ 97,838</b>	<b>10.8 %</b>

# Synovus

## CREDIT QUALITY DATA

(Unaudited)

(Dollars in thousands)

	2018			2017		Year/Year % change
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	
Non-performing Loans	\$ 108,425	117,328	120,081	115,561	97,838	10.8 %
Impaired Loans Held for Sale <sup>(1)</sup>	12	2,733	6,591	11,278	30,197	nm
Other Real Estate	8,542	6,288	4,496	3,758	10,551	(19.0)
Non-performing Assets	116,979	126,349	131,168	130,597	138,586	(15.6)
Allowance for loan losses	251,450	251,725	257,764	249,268	249,683	0.7
Net Charge-Offs - Quarter	15,257	17,829	4,280	8,979	38,099	
Net Charge-Offs - YTD	37,366	22,109	4,280	69,675	60,695	
Net Charge-Offs / Average Loans - Quarter <sup>(2)</sup>	0.24 %	0.29	0.07	0.15	0.62	
Net Charge-Offs / Average Loans - YTD <sup>(2)</sup>	0.20	0.18	0.07	0.29	0.33	
Non-performing Loans / Loans	0.42	0.47	0.48	0.47	0.40	
Non-performing Assets / Loans, Impaired Loans Held for Sale, & ORE	0.46	0.50	0.53	0.53	0.57	
Allowance / Loans	0.98	1.00	1.04	1.01	1.02	
Allowance / Non-performing Loans	231.91	214.55	214.66	215.70	255.20	
Allowance / Non-performing Loans <sup>(3)</sup>	288.21	262.99	241.49	238.44	336.35	
Past Due Loans over 90 days and Still Accruing	\$ 4,856	3,222	5,416	4,414	5,685	(14.6)
As a Percentage of Loans Outstanding	0.02 %	0.01	0.02	0.02	0.02	
Total Past Due Loans and Still Accruing	\$ 78,323	55,614	54,150	52,032	84,853	(7.7)
As a Percentage of Loans Outstanding	0.31 %	0.22	0.22	0.21	0.35	
Accruing Troubled Debt Restructurings (TDRs)	\$ 114,740	125,310	129,394	151,271	166,918	(31.3)

(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 <sup>(1)</sup>

(Unaudited)

(Dollars in thousands)

	September 30, 2018	December 31, 2017	September 30, 2017
Tier 1 Capital	\$ 3,038,769	2,872,001	2,849,580
Total Risk-Based Capital	3,550,687	3,383,081	3,362,127
Common Equity Tier 1 Ratio (transitional)	9.92 %	9.99	10.06
Common Equity Tier 1 Ratio (fully phased-in) <sup>(5)</sup>	9.87	9.88	9.88
Tier 1 Capital Ratio	10.59	10.38	10.43
Total Risk-Based Capital Ratio	12.37	12.23	12.30
Tier 1 Leverage Ratio	9.58	9.19	9.34
Common Equity as a Percentage of Total Assets <sup>(2)</sup>	8.87	9.08	9.07
Tangible Common Equity as a Percentage of Tangible Assets <sup>(3)(5)</sup>	8.68	8.88	8.88
Book Value Per Common Share <sup>(4)</sup>	\$ 24.38	23.85	24.01
Tangible Book Value Per Common Share <sup>(3)</sup>	23.80	23.27	23.44

(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.