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Synovus Announces Earnings for the Fourth Quarter 2018 and a 20% Increase in Common Stock Dividend

2018 Diluted Earnings per Share up 59.5% from 2017

COLUMBUS, Ga., Jan. 15, 2019 – Synovus Financial Corp. (NYSE: SNV) today reported financial results for the quarter and year ended December 31, 2018.

Net income available to common shareholders for the fourth quarter 2018 was \$101.9 million or \$0.87 per diluted share as compared to \$99.3 million or \$0.84 per diluted share for the third quarter 2018 and \$27.0 million or \$0.23 per diluted share for the fourth quarter 2017. Adjusted earnings per diluted share for the fourth quarter 2018 was \$0.92, down 3.1% from the third quarter 2018 and up 28.1% from the fourth quarter 2017.

Additionally, the Company announced plans to return approximately \$500 million to common shareholders this year through a 20% dividend increase and additional share repurchases.

Fourth quarter and full year results do not include financial results of FCB Financial Holdings, Inc. (FCB), which Synovus acquired on January 1, 2019.

2018 Highlights

- Net income available to common shareholders for 2018 was \$410.5 million or \$3.47 per diluted share as compared to \$265.2 million or \$2.17 per diluted share for 2017. Diluted EPS grew 59.5% for 2018 compared to 2017.
 - Adjusted earnings per diluted share for 2018 was \$3.64 as compared to \$2.53 for 2017, an increase of 43.8%.
- Return on average assets for 2018 was 1.35%, an increase of 46 basis points from 2017.
 - Adjusted return on average assets for 2018 was 1.41%, an increase of 37 basis points from 2017.
- Return on average common equity for 2018 was 14.55%, an increase of 523 basis points from 2017.
 - Adjusted return on average common equity for 2018 was 15.29%, an increase of 443 basis points from 2017.
- Total loans ended the year at \$25.95 billion, an increase of \$1.16 billion or 4.7% from 2017. Total average loans for the year grew \$813.1 million or 3.3% as compared to 2017.
- Total average deposits grew \$969.7 million or 3.8% as compared to 2017.
- Efficiency ratio of 57.99% improved 196 basis points from 2017.
 - Adjusted efficiency ratio of 56.33% improved 354 basis points from 2017.
- The non-performing asset ratio was 0.44% at December 31, 2018, compared to 0.53% at year-end 2017.

- Common Equity Tier 1 ratio was 10.04% at December 31, 2018¹, compared to 9.99% at December 31, 2017.
- The Company returned \$281 million to common shareholders during the year with repurchases of \$175 million in common stock and \$106 million in common dividends.
- Synovus issued \$200 million Series D preferred stock and redeemed \$130 million Series C preferred stock.
- The Company completed the transition to a single brand — Synovus — across all markets.
- The acquisition of FCB was completed on January 1, 2019.

“Synovus became a stronger company in every respect in 2018,” said Kessel Stelling, Synovus chairman and CEO. “From completion of the single-brand transition, to the announcement and successful closing of the FCB acquisition, to surpassing all of our profitability and efficiency targets, we delivered outstanding operating and financial performance last year. These results will provide the opportunity to accelerate capital returns to shareholders in 2019 through a 20 percent increase in the common stock dividend and more than \$300 million in additional share repurchases.

“As we begin the new year, we are excited to welcome the FCB team members and loyal customers to the Synovus family,” Stelling continued. “We are pleased with the integration results to date, and confident in the ability of our combined company to create value for customers, communities, and shareholders.”

Fourth Quarter Financial Results

Balance Sheet

- Total loans ended the quarter at \$25.95 billion, up \$369.5 million or 5.7% annualized from the previous quarter and up \$1.16 billion or 4.7% as compared to the fourth quarter 2017.
 - Commercial and industrial loans grew by \$277.9 million or 8.8% annualized from the previous quarter and \$757.6 million or 6.3% as compared to the fourth quarter 2017.
 - Consumer loans grew by \$239.8 million or 14.9% annualized from the previous quarter and \$771.2 million or 13.2% as compared to the fourth quarter 2017.
 - Commercial real estate loans declined by \$147.9 million or 8.7% annualized from the previous quarter and \$370.8 million or 5.3% as compared to the fourth quarter 2017.
- Total average loans were \$25.63 billion, up \$303.7 million or 4.8% annualized from the previous quarter and up \$1.01 billion or 4.1% from the fourth quarter 2017.
- Total average deposits for the quarter were \$26.92 billion, up \$532.8 million or 8.0% annualized from the previous quarter and up \$634.1 million or 2.4% as compared to the fourth quarter 2017.
 - Excluding average brokered deposits, average deposits increased \$681.0 million or 11.0% annualized from the previous quarter and \$1.21 billion or 5.0% compared to the fourth quarter 2017.

Core Performance

- Total revenues were \$365.9 million, up \$2.6 million from the previous quarter and up \$26.9 million or 7.9% from the fourth quarter 2017.
 - Adjusted total revenues were \$368.2 million, up \$5.2 million or 1.4% from the previous quarter and up \$29.0 million or 8.5% from the fourth quarter 2017.

¹ December 31, 2018, capital ratios are preliminary.

- Net interest income was \$297.9 million, up \$6.3 million or 2.2% from the previous quarter and up \$28.2 million or 10.5% from the fourth quarter 2017.
- Net interest margin was 3.92%, up 3 basis points from the previous quarter. Yield on earning assets was 4.69%, up 11 basis points from the previous quarter, and the cost of funds was 0.81%, up 8 basis points from the previous quarter.
- Total non-interest income was \$68.0 million, down \$3.7 million from the previous quarter and down \$1.4 million from the fourth quarter 2017.
 - Adjusted non-interest income was \$70.1 million, a decrease of 1.6% from the previous quarter and an increase of 1.2% from the prior-year quarter.
- Core banking fees² were \$36.8 million, an increase of \$1.1 million or 3.1% from the previous quarter and up \$1.2 million or 3.5% from the fourth quarter 2017.
- Fiduciary and asset management fees, brokerage revenue, and insurance revenues were \$24.6 million, an increase of \$679 thousand or 2.8% from the prior quarter, and up \$2.8 million or 13.0% as compared to the fourth quarter 2017.
- Total non-interest expense was \$209.9 million, down \$10.4 million or 4.7% from the previous quarter, and down \$16.6 million or 7.3% from the fourth quarter 2017. Third quarter 2018 included \$11.7 million of earnout liability adjustments from the Global One acquisition and \$6.7 million of FCB merger-related expense.
 - Adjusted non-interest expense was \$206.1 million, up \$4.5 million or 2.2% from the previous quarter and up \$5.0 million or 2.5% as compared to the fourth quarter 2017. The sequential quarter increase includes a \$3.0 million increase in consulting fees and a \$3.1 million increase in advertising expense, partially offset by a \$1.7 million decline in FDIC insurance expense.
- Efficiency ratio for the fourth quarter 2018 was 57.34% as compared to 60.62% in the previous quarter and 66.77% in the fourth quarter 2017.
 - Adjusted efficiency ratio for the fourth quarter 2018 was 55.98% as compared to 55.55% in the previous quarter and 59.29% in the fourth quarter 2017.

Credit Quality

- Non-performing loans were \$106.7 million at December 31, 2018, down \$1.7 million or 1.6% from the previous quarter and down \$8.8 million or 7.6% from December 31, 2017. The non-performing loan ratio was 0.41% at December 31, 2018, as compared to 0.42% at the end of the previous quarter and 0.47% at December 31, 2017.
- Total non-performing assets were \$114.5 million at December 31, 2018, down \$2.5 million or 2.2% from the previous quarter and down \$16.1 million or 12.4% from December 31, 2017. The non-performing asset ratio was 0.44% at December 31, 2018, down 2 basis points from the previous quarter and down 9 basis points from December 31, 2017.
- Net charge-offs were \$13.0 million in the fourth quarter 2018, down \$2.2 million or 14.5% from the previous quarter. The annualized net charge-off ratio was 0.20% in the fourth quarter as compared to 0.24% in the previous quarter.
- Total delinquencies (consisting of loans 30 or more days past due and still accruing) were 0.22% of total loans at December 31, 2018, down 9 basis points from the previous quarter and up 1 basis point from December 31, 2017.

² 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.

Capital Ratios¹

- Common Equity Tier 1 ratio was 10.04% at December 31, 2018, compared to 9.90% at September 30, 2018.
- Tier 1 Capital ratio was 10.70% at December 31, 2018, compared to 10.57% at September 30, 2018.
- Total Risk-Based Capital ratio was 12.47% at December 31, 2018, compared to 12.36% at September 30, 2018.
- Tier 1 Leverage ratio was 9.60% at December 31, 2018, compared to 9.58% at September 30, 2018.
- Tangible Common Equity to Tangible Assets ratio was 8.81% at December 31, 2018, compared to 8.68% at September 30, 2018.

Capital Management

- During the fourth quarter, the Company repurchased \$40 million in common stock as part of the \$25 million repurchase program announced in December 2018 and the \$150 million share repurchase program announced in January 2018. Share repurchases in 2018 totaled \$175 million and resulted in a reduction of 3.7 million shares, a 3.1% share count reduction from December 31, 2017.
- Additionally, the Board of Directors authorized a new share repurchase program³ of up to \$400 million of the Company's common stock to be executed during 2019. The company currently expects to repurchase \$300-\$350 million under this authorization in 2019.
- The Board of Directors also approved a 20% increase in the Company's quarterly common stock dividend from \$0.25 to \$0.30 per share, effective with the quarterly dividend³ payable in April 2019.

FCB Fourth Quarter Information

- FCB reported net income of \$41.8 million for the fourth quarter of 2018 and diluted earnings per share of \$0.87.
- Net interest income was \$94.9 million in the quarter and non-interest income was \$9.6 million.
- Non-interest expense in the quarter was \$38.2 million.
- Net interest margin in the fourth quarter of 2018 was 3.15% and the efficiency ratio was 36.22%.
- Return on average assets was 1.32% in the quarter.
- Tangible common equity ratio in the quarter was 10.14%.
- Total assets at December 31, 2018, were \$12.53 billion, total loans were \$9.42 billion, and total deposits were \$10.89 billion.

Fourth Quarter Earnings Conference Call

Synovus will host an earnings highlights conference call at 8:30 a.m. EDT on January 15, 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 \$45 billion in assets. Synovus provides commercial and retail banking, investment, and mortgage services through 300 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*

³ Capital actions expected in 2019 are subject to customary regulatory approval pursuant to Regulation Q: 12 CFR Part 217.20.

Banker and the Reputation Institute for four consecutive years. Synovus is on the web at synovus.com, and on [Twitter](#), [Facebook](#), [LinkedIn](#), and [Instagram](#).

Forward-Looking Statements

This press release and certain of our other filings with the Securities and Exchange Commission contain statements that constitute “forward-looking statements” within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are forward-looking statements. You can identify these forward-looking statements through Synovus’ use of words such as “believes,” “anticipates,” “expects,” “may,” “will,” “assumes,” “should,” “predicts,” “could,” “would,” “intends,” “targets,” “estimates,” “projects,” “plans,” “potential” and other similar words and expressions of the future or otherwise regarding the outlook for Synovus’ future business and financial performance and/or the performance of the banking industry and economy in general. These forward-looking statements include, among others, our expectations regarding deposit growth, 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 total revenues; adjusted efficiency ratio; adjusted earnings per diluted share; adjusted return on average assets; adjusted return on average common equity; tangible common equity to tangible assets 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; 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 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 tangible common equity to tangible assets 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

(dollars in thousands)

	4Q18	3Q18	4Q17	2018	2017
Adjusted non-interest income					
Total non-interest income	\$ 67,991	\$ 71,668	\$ 69,353	\$ 280,093	\$ 345,327
Subtract: Cabela's Transaction Fee	—	—	—	—	(75,000)
Add: Investment securities losses, net	—	—	—	1,296	289
Add/subtract: Decrease (increase) in fair value of private equity investments, net	2,084	(434)	(100)	4,743	3,093
Adjusted non-interest income	<u>\$ 70,075</u>	<u>\$ 71,234</u>	<u>\$ 69,253</u>	<u>\$ 286,132</u>	<u>\$ 273,709</u>
Adjusted non-interest expense					
Total non-interest expense	\$ 209,922	\$ 220,297	\$ 226,533	\$ 829,455	\$ 821,313
Subtract: Discounts to fair value for 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)	(1,700)	(11,652)	(3,759)
Subtract: Merger-related expense	(3,381)	(6,684)	—	(10,065)	(110)
Subtract/add: Litigation settlement/contingency expense	—	—	(300)	4,026	(701)
Subtract/add: Restructuring charges, net	(140)	(21)	29	51	(7,014)
Subtract: Amortization of intangibles	(292)	(292)	(292)	(1,167)	(1,059)
Subtract: Fair value adjustment to Visa derivative	—	—	—	(2,328)	—
Subtract: Loss on early extinguishment of debt	—	—	(23,160)	—	(23,160)
Adjusted non-interest expense	<u>\$ 206,109</u>	<u>\$ 201,648</u>	<u>\$ 201,110</u>	<u>\$ 808,320</u>	<u>\$ 777,260</u>
Adjusted total revenues and adjusted efficiency ratio					
Adjusted non-interest expense	\$ 206,109	\$ 201,648	\$ 201,110	\$ 808,320	\$ 777,260
Net interest income	297,933	291,619	269,712	1,148,413	1,023,309
Add: Tax equivalent adjustment	181	136	234	553	1,124
Add: Total non-interest income	67,991	71,668	69,353	280,093	345,327
Add: Investment securities losses, net	—	—	—	1,296	289
Total FTE revenues	366,105	363,423	339,299	1,430,355	1,370,049
Subtract: Cabela's Transaction Fee	—	—	—	—	(75,000)
Add/subtract: Decrease (increase) in fair value of private equity investments, net	2,084	(434)	(100)	4,743	3,093
Adjusted total revenues	<u>\$ 368,189</u>	<u>\$ 362,989</u>	<u>\$ 339,199</u>	<u>\$ 1,435,098</u>	<u>\$ 1,298,142</u>
Efficiency ratio	57.34 %	60.62 %	66.77 %	57.99 %	59.95 %
Adjusted efficiency ratio	<u>55.98</u>	<u>55.55</u>	<u>59.29</u>	<u>56.33</u>	<u>59.87</u>

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

<i>(in thousands, except per share data)</i>	4Q18	3Q18	4Q17	2018	2017
Adjusted Return on Average Assets					
Net income	\$ 105,070	\$ 109,059	\$ 29,606	\$ 428,476	\$ 275,474
Subtract: Cabela's Transaction Fee	—	—	—	—	(75,000)
Add: Provision expense on loans transferred to held-for-sale	—	—	—	—	27,710
Add: Discounts to fair value for ORE accelerated dispositions	—	—	—	—	7,082
Add: Asset impairment charges related to accelerated disposition of corporate real estate and other properties	—	—	—	—	1,168
Subtract/add: Income tax (benefit) expense, net related to Federal Tax Reform, SAB 118, State Tax Reform, and adjusted portion of other discrete items	—	(9,865)	42,334	(9,148)	42,334
Add: Earnout liability adjustments	—	11,652	1,700	11,652	3,759
Add: Merger-related expense	3,381	6,684	—	10,065	110
Add/subtract: Litigation settlement/contingency expense	—	—	300	(4,026)	701
Add/subtract: Restructuring charges, net	140	21	(29)	(51)	7,014
Add: Amortization of intangibles	292	292	292	1,167	1,059
Add: Fair value adjustment to Visa derivative	—	—	—	2,328	—
Add: Loss on early extinguishment of debt	—	—	23,160	—	23,160
Add: Investment securities losses, net	—	—	—	1,296	289
Add/subtract: Decrease (increase) in fair value of private equity investments, net	2,084	(434)	(100)	4,743	3,093
Subtract/add: Tax effect of adjustments	(591)	27	(8,740)	(1,283)	1,337
Adjusted net income	\$ 110,376	\$ 117,436	\$ 88,523	\$ 445,219	\$ 319,290
Net income annualized	\$ 416,854	\$ 432,680	\$ 117,459	\$ —	\$ —
Adjusted net income annualized	\$ 437,905	\$ 465,915	\$ 351,205	\$ —	\$ —
Total average assets	\$ 32,190,303	\$ 31,725,604	\$ 31,388,724	\$ 31,668,847	\$ 30,787,288
Return on average assets	1.29 %	1.36 %	0.37 %	1.35 %	0.89 %
Adjusted return on average assets	1.36	1.47	1.12	1.41	1.04

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

(in thousands, except per share data)

	4Q18	3Q18	4Q17	2018	2017
Adjusted net income per common share, diluted and adjusted return on average common equity					
Net income available to common shareholders	\$ 101,919	\$ 99,330	\$ 27,046	\$ 410,478	\$ 265,236
Subtract: Cabela's Transaction Fee	—	—	—	—	(75,000)
Add: Provision expense on loans transferred to held-for-sale	—	—	—	—	27,710
Add: Discounts to fair value for ORE accelerated dispositions	—	—	—	—	7,082
Add: Asset impairment charges related to accelerated disposition of corporate real estate and other properties	—	—	—	—	1,168
Subtract/add: Income tax (benefit) expense, net related to Federal Tax Reform, SAB 118, State Tax Reform, and adjusted portion of other discrete items	—	(9,865)	42,334	(9,148)	42,334
Add: Preferred stock redemption charge	—	4,020	—	4,020	—
Add: Earnout liability adjustments	—	11,652	1,700	11,652	3,759
Add: Merger-related expense	3,381	6,684	—	10,065	110
Add/subtract: Litigation settlement/contingency expense	—	—	300	(4,026)	701
Add/subtract: Restructuring charges, net	140	21	(29)	(51)	7,014
Add: Amortization of intangibles	292	292	292	1,167	1,059
Add: Fair value adjustment to Visa derivative	—	—	—	2,328	—
Add: Loss on early extinguishment of debt	—	—	23,160	—	23,160
Add: Investment securities losses, net	—	—	—	1,296	289
Add/subtract: Decrease (increase) in fair value of private equity investments, net	2,084	(434)	(100)	4,743	3,093
Subtract/add: Tax effect of adjustments	(591)	27	(8,740)	(1,283)	1,337
Adjusted net income available to common shareholders	\$ 107,225	\$ 111,727	\$ 85,963	\$ 431,241	\$ 309,052
Weighted average common shares outstanding, diluted	116,986	118,095	120,182	118,378	122,012
Net income per common share, diluted	\$ 0.87	\$ 0.84	\$ 0.23	\$ 3.47	\$ 2.17
Adjusted net income per common share, diluted	0.92	0.95	0.72	3.64	2.53
Net income available to common shareholders' annualized	\$ 404,353	\$ 394,081	\$ 107,302	\$ —	\$ —
Adjusted net income available to common shareholders' annualized	\$ 425,404	\$ 443,265	\$ 341,049	\$ —	\$ —
Total average shareholders' equity less preferred stock	\$ 2,837,740	\$ 2,824,707	\$ 2,851,523	\$ 2,821,311	\$ 2,844,570
Return on average common equity	14.25 %	13.95 %	3.76 %	14.55 %	9.32 %

Adjusted return on average common equity	14.99	15.69	11.96	15.29	10.86
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Reconciliation of Non-GAAP Financial Measures, continued

<i>(dollars in thousands)</i>	December 31, 2018	September 30, 2018	December 31, 2017
Tangible Common Equity to Tangible Assets Ratio			
Total assets	\$ 32,669,192	\$ 32,075,120	\$ 31,221,837
Subtract: Goodwill	(57,315)	(57,315)	(57,315)
Subtract: Other intangible assets, net	(9,875)	(10,166)	(11,254)
Tangible assets	<u>\$ 32,602,002</u>	<u>\$ 32,007,639</u>	<u>\$ 31,153,268</u>
Total shareholders' equity	\$ 3,133,602	\$ 3,040,073	\$ 2,961,566
Subtract: Goodwill	(57,315)	(57,315)	(57,315)
Subtract: Other intangible assets, net	(9,875)	(10,166)	(11,254)
Subtract: Preferred Stock, no par value	(195,140)	(195,138)	(125,980)
Tangible common equity	<u>\$ 2,871,272</u>	<u>\$ 2,777,454</u>	<u>\$ 2,767,017</u>
Total shareholders' equity to total assets ratio	9.59 %	9.48 %	9.49 %
Tangible common equity to tangible assets ratio	<u>8.81</u>	<u>8.68</u>	<u>8.88</u>

<i>(dollars in thousands)</i>	December 31, 2018	September 30, 2018	December 31, 2017
Common equity Tier 1 (CET1) ratio (fully phased-in)			
Common equity Tier 1 (CET1)	\$ 2,897,998	\$ 2,846,416	\$ 2,763,168
Subtract: Adjustment related to capital components	(2,720)	(2,784)	(17,147)
CET1 (fully phased-in)	\$ 2,895,278	\$ 2,843,632	\$ 2,746,021
Total risk-weighted assets	\$ 28,871,478	\$ 28,738,381	\$ 27,667,906
Total risk-weighted assets (fully phased-in)	\$ 28,948,308	\$ 28,844,942	\$ 27,791,929
Common equity Tier 1 (CET1) ratio	10.04 %	9.90 %	9.99 %
Common equity Tier 1 (CET1) ratio (fully phased-in)	<u>10.00</u>	<u>9.86</u>	<u>9.88</u>

INCOME STATEMENT DATA

(Unaudited)

(Dollars in thousands, except per share data)

Twelve Months Ended

December 31,

	2018	2017	% Change
Interest income	\$ 1,344,305	1,162,497	15.6 %
Interest expense	195,892	139,188	40.7
Net interest income	1,148,413	1,023,309	12.2
Provision for loan losses	51,697	67,185	(23.1)
Net interest income after provision for loan losses	1,096,716	956,124	14.7
Non-interest income:			
Service charges on deposit accounts	80,840	81,419	(0.7)
Fiduciary and asset management fees	54,685	50,485	8.3
Card fees	42,503	39,376	7.9
Brokerage revenue	36,567	29,705	23.1
Mortgage banking income	18,958	22,798	(16.8)
Income from bank-owned life insurance	15,403	13,460	14.4
Cabela's Transaction Fee	—	75,000	nm
Decrease in fair value of private equity investments, net	(4,743)	(3,093)	nm
Investment securities losses, net	(1,296)	(289)	nm
Other fee income	19,974	20,168	(1.0)
Other non-interest income	17,202	16,298	5.5
Total non-interest income	280,093	345,327	(18.9)
Non-interest expense:			
Salaries and other personnel expense	453,420	433,321	4.6
Net occupancy and equipment expense	130,482	119,964	8.8
Third-party processing expense	58,625	54,708	7.2
FDIC insurance and other regulatory fees	24,494	27,011	(9.3)
Professional fees	26,737	26,232	1.9
Advertising expense	20,881	22,948	(9.0)
Foreclosed real estate expense, net	2,204	12,540	(82.4)
Loss on early extinguishment of debt	—	23,160	nm
Earnout liability adjustments	11,652	5,466	113.2
Merger-related expense	10,065	110	nm
Amortization of intangibles	1,167	1,059	10.2
Fair value adjustment to Visa derivative	2,328	—	nm
Litigation settlement/contingency expense	(4,026)	701	nm
Restructuring charges, net	(51)	7,014	nm
Other operating expenses	91,477	87,079	5.1
Total non-interest expense	829,455	821,313	1.0
Income before income taxes	547,354	480,138	14.0
Income tax expense	118,878	204,664	(41.9)
Net income	428,476	275,474	55.5
Less: Preferred stock dividends and redemption charge	17,998	10,238	75.8
Net income available to common shareholders	\$ 410,478	265,236	54.8
Net income per common share, basic	\$ 3.49	2.19	59.4 %
Net income per common share, diluted	3.47	2.17	59.5
Cash dividends declared per common share	1.00	0.60	66.7
Return on average assets*	1.35%	0.89	46bps
Return on average common equity*	14.55	9.32	523
Weighted average common shares outstanding, basic	117,644	121,162	(2.9)%
Weighted average common shares outstanding, diluted	118,378	122,012	(3.0)

nm - not meaningful

bps - basis points

* - ratios are annualized

Synovus

INCOME STATEMENT DATA

(Unaudited)

(In thousands, except per share data)

	2018				2017	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Year/Year % Change
Interest income	\$ 357,394	343,942	329,834	313,134	306,934	16.4 %
Interest expense	59,461	52,323	45,257	38,850	37,222	59.7
Net interest income	297,933	291,619	284,577	274,284	269,712	10.5
Provision for loan losses	12,148	14,982	11,790	12,776	8,565	41.8
Net interest income after provision for loan losses	285,785	276,637	272,787	261,508	261,147	9.4
Non-interest income:						
Service charges on deposit accounts	20,320	20,582	19,999	19,940	20,371	(0.3)
Fiduciary and asset management fees	13,805	13,462	13,983	13,435	13,195	4.6
Card fees	10,862	10,608	10,833	10,199	9,762	11.3
Brokerage revenue	9,643	9,329	8,900	8,695	7,758	24.3
Mortgage banking income	3,781	5,290	4,839	5,047	5,647	(33.0)
Income from bank-owned life insurance	3,682	3,771	3,733	4,217	3,900	(5.6)
(Decrease)/increase in fair value of private equity investments, net	(2,084)	434	(37)	(3,056)	100	nm
Investment securities losses, net	—	—	(1,296)	—	—	—
Other fee income	5,587	4,510	5,259	4,618	4,041	38.3
Other non-interest income	2,395	3,682	7,174	3,951	4,579	(47.7)
Total non-interest income	67,991	71,668	73,387	67,046	69,353	(2.0)
Non-interest expense:						
Salaries and other personnel expense	113,496	114,341	111,863	113,720	111,242	2.0
Net occupancy and equipment expense	34,260	32,088	32,654	31,480	30,127	13.7
Third-party processing expense	14,803	14,810	15,067	13,945	14,826	(0.2)
FDIC insurance and other regulatory fees	4,728	6,430	6,543	6,793	6,288	(24.8)
Professional fees	8,650	6,298	6,284	5,505	6,184	39.9
Advertising expense	6,834	3,735	5,220	5,092	8,080	(15.4)
Foreclosed real estate expense, net	1,095	360	(107)	856	1,693	(35.3)
Loss on early extinguishment of debt	—	—	—	—	23,160	nm
Earnout liability adjustments	—	11,652	—	—	1,700	nm
Merger-related expense	3,381	6,684	—	—	—	nm
Amortization of intangibles	292	292	292	292	292	—
Fair value adjustment to Visa derivative	—	—	2,328	—	—	—
Litigation settlement/contingency expense	—	—	(1,400)	(2,626)	300	nm
Restructuring charges, net	140	21	103	(315)	(29)	nm
Other operating expenses	22,243	23,586	25,210	20,437	22,670	(1.9)
Total non-interest expense	209,922	220,297	204,057	195,179	226,533	(7.3)
Income before income taxes	143,854	128,008	142,117	133,375	103,967	38.4
Income tax expense	38,784	18,949	30,936	30,209	74,361	(47.8)
Net income	105,070	109,059	111,181	103,166	29,606	254.9
Less: Preferred stock dividends and redemption charge	3,151	9,729	2,559	2,559	2,560	23.1
Net income available to common shareholders	\$ 101,919	99,330	108,622	100,607	27,046	276.8
Net income per common share, basic	\$ 0.88	0.85	0.92	0.85	0.23	286.5 %
Net income per common share, diluted	0.87	0.84	0.91	0.84	0.23	287.2
Cash dividends declared per common share	0.25	0.25	0.25	0.25	0.15	66.7
Return on average assets *	1.29%	1.36	1.42	1.34	0.37	92bps
Return on average common equity *	14.25	13.95	15.39	14.62	3.76	1,049
Weighted average common shares outstanding, basic	116,303	117,241	118,397	118,666	119,282	(2.5)%
Weighted average common shares outstanding, diluted	116,986	118,095	119,139	119,321	120,182	(2.7)

nm - not meaningful

bps - basis points

* - ratios are annualized

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BALANCE SHEET DATA

(Unaudited)

(In thousands, except share data)

ASSETS

	December 31, 2018	September 30, 2018	December 31, 2017
Cash and due from banks	\$ 468,426	436,540	397,848
Interest-bearing funds with Federal Reserve Bank	641,476	515,493	460,928
Interest earning deposits with banks	19,841	34,470	26,311
Federal funds sold and securities purchased under resale agreements	13,821	25,430	47,846
Cash and cash equivalents	1,143,564	1,011,933	932,933
Mortgage loans held for sale, at fair value	37,129	37,276	48,024
Investment securities available for sale, at fair value	3,991,632	3,883,574	3,987,069
Loans, net of deferred fees and costs	25,946,573	25,577,116	24,787,464
Allowance for loan losses	(250,555)	(251,450)	(249,268)
Loans, net	25,696,018	25,325,666	24,538,196
Cash surrender value of bank-owned life insurance	554,134	551,061	540,958
Premises and equipment, net	434,307	431,012	426,813
Goodwill	57,315	57,315	57,315
Other intangible assets	9,875	10,166	11,254
Deferred tax assets, net	141,134	185,116	165,788
Other assets	604,084	582,001	513,487
Total assets	\$ 32,669,192	32,075,120	31,221,837

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:

Non-interest-bearing deposits	\$ 7,650,967	7,628,736	7,686,339
Interest-bearing deposits	19,069,355	18,804,922	18,461,561
Total deposits	26,720,322	26,433,658	26,147,900
Federal funds purchased and securities sold under repurchase agreements	237,692	191,145	161,190
Other short-term borrowings	650,000	478,540	100,000
Long-term debt	1,657,157	1,656,909	1,606,138
Other liabilities	270,419	274,795	245,043
Total liabilities	29,535,590	29,035,047	28,260,271

Shareholders' equity:

Series D Preferred Stock - no par value. Authorized 100,000,000 shares; 8,000,000 shares issued and outstanding at December 31, 2018 and September 30, 2018

195,140 195,138 —

Series C Preferred Stock - no par value. 5,200,000 outstanding at December 31, 2017

— — 125,980

Common stock - \$1.00 par value. Authorized 342,857,143 shares; 143,300,449 issued at December 31, 2018, 143,093,317 issued at September 30, 2018, and 142,677,449 issued at December 31, 2017; 115,865,510 outstanding at December 31, 2018, 116,714,463 outstanding at September 30, 2018 and 118,897,295 outstanding at December 31, 2017

143,300 143,093 142,678

Additional paid-in capital

3,060,561 3,049,233 3,043,129

Treasury stock, at cost - 27,434,939 shares at December 31, 2018, 26,378,854 shares at September 30, 2018, and 23,780,154 shares at December 31, 2017

(1,014,746) (974,478) (839,674)

Accumulated other comprehensive loss, net

(94,420) (143,720) (54,754)

Retained Earnings

843,767 770,807 544,207

Total shareholders' equity

3,133,602 3,040,073 2,961,566

Total liabilities and shareholders' equity

\$ 32,669,192 32,075,120 31,221,837

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AVERAGE BALANCES AND YIELDS/RATES ⁽¹⁾

(Unaudited)

(Dollars in thousands)

	2018				2017
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
Interest Earning Assets					
Taxable investment securities ⁽²⁾	\$ 4,073,685	4,061,239	4,077,564	4,097,162	3,937,278
Yield	2.45%	2.38	2.34	2.34	2.29
Tax-exempt investment securities ⁽²⁾⁽⁴⁾	\$ —	89	115	140	180
Yield (taxable equivalent)	—%	5.91	6.87	6.57	7.97
Trading account assets ⁽⁵⁾	\$ 7,493	16,646	23,772	8,167	7,360
Yield	1.90%	2.52	2.79	2.66	2.78
Commercial loans ⁽³⁾⁽⁴⁾	\$ 19,150,252	19,025,830	18,857,271	18,963,515	18,935,774
Yield	5.13%	4.98	4.85	4.64	4.49
Consumer loans ⁽³⁾	\$ 6,476,026	6,298,643	6,092,899	5,899,015	5,704,629
Yield	4.85%	4.80	4.76	4.71	4.54
Allowance for loan losses	\$ (251,098)	(251,684)	(257,966)	(251,635)	(252,319)
Loans, net ⁽³⁾	\$ 25,375,180	25,072,789	24,692,204	24,610,895	24,388,084
Yield	5.11%	4.99	4.88	4.70	4.55
Mortgage loans held for sale	\$ 36,477	49,030	50,366	38,360	45,353
Yield	4.79%	4.71	4.42	3.95	3.96
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	\$ 641,832	544,704	724,537	516,575	922,296
Yield	2.20%	1.90	1.77	1.48	1.31
Federal Home Loan Bank and Federal Reserve Bank Stock ⁽⁵⁾	\$ 162,369	163,568	165,845	177,381	159,455
Yield	4.31%	4.41	4.63	3.39	4.03
Total interest earning assets	\$ 30,297,036	29,908,065	29,734,403	29,448,680	29,460,006
Yield	4.69%	4.58	4.47	4.31	4.15
Interest Bearing Liabilities					
Interest bearing demand deposits	\$ 4,692,804	4,701,204	5,001,826	5,032,000	4,976,239
Rate	0.41%	0.38	0.35	0.31	0.28
Money Market accounts	\$ 8,050,732	7,936,621	7,791,107	7,561,554	7,514,992
Rate	0.89%	0.72	0.55	0.43	0.36
Savings deposits	\$ 815,588	824,935	829,800	811,587	804,853
Rate	0.04%	0.03	0.03	0.03	0.03
Time deposits under \$100,000	\$ 1,242,811	1,205,987	1,161,890	1,143,780	1,166,413
Rate	1.16%	0.99	0.82	0.71	0.70
Time deposits over \$100,000	\$ 2,478,649	2,273,582	2,021,084	1,895,545	2,004,031
Rate	1.67%	1.46	1.22	1.02	0.99
Non-maturing brokered deposits	\$ 349,480	358,277	262,976	424,118	546,413
Rate	2.46%	2.10	1.94	1.14	0.81
Brokered time deposits	\$ 1,275,276	1,414,700	1,659,941	1,527,793	1,651,920
Rate	2.03%	1.94	1.85	1.75	1.63
Total interest-bearing deposits	\$ 18,905,340	18,715,306	18,728,624	18,396,377	18,664,861
Rate	0.96%	0.83	0.70	0.58	0.54
Federal funds purchased and securities sold under repurchase agreements	\$ 194,370	230,504	207,655	202,226	184,369
Rate	0.18%	0.25	0.35	0.21	0.15
Other short-term borrowings	\$ 112,228	146,794	3,024	394,056	3,261
Rate	2.51%	2.12	2.84	1.52	1.42
Long-term debt	\$ 1,657,022	1,656,743	1,852,094	1,733,938	1,710,721
Rate	3.06%	2.87	2.66	2.51	2.67
Total interest-bearing liabilities	\$ 20,868,960	20,749,347	20,791,397	20,726,597	20,563,212
Rate	1.12%	0.99	0.87	0.76	0.72
Non-interest bearing demand deposits	\$ 8,014,761	7,672,006	7,539,451	7,391,695	7,621,147
Cost of funds	0.81%	0.73	0.64	0.56	0.52
Net interest margin	3.92%	3.89	3.86	3.78	3.65
Taxable equivalent adjustment	\$ 181	136	120	116	234

⁽¹⁾ Yields and rates are annualized.

⁽²⁾ Excludes net unrealized gains and losses.

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

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

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

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LOANS OUTSTANDING BY TYPE

(Unaudited)

(Dollars in thousands)

Loan Type	Total Loans December 31, 2018	Total Loans September 30, 2018	Linked Quarter % Change ⁽¹⁾	Total Loans December 31, 2017	Year/Year % Change
Commercial, Financial, and Agricultural Owner-Occupied	\$ 7,449,698 5,331,508	7,281,466 5,221,828	9.2 % 8.3	\$ 7,179,487 4,844,163	3.8 % 10.1
Total Commercial & Industrial	12,781,206	12,503,294	8.8	12,023,650	6.3
Multi-Family	1,208,033	1,330,006	(36.4)	1,492,159	(19.0)
Hotels	704,319	760,885	(29.5)	741,703	(5.0)
Office Buildings	1,451,048	1,368,608	23.9	1,499,834	(3.3)
Shopping Centers	808,540	815,696	(3.5)	791,311	2.2
Warehouses	627,353	679,184	(30.3)	581,410	7.9
Other Investment Property	761,658	711,311	28.1	563,648	35.1
Total Investment Properties	5,560,951	5,665,690	(7.3)	5,670,065	(1.9)
1-4 Family Construction	174,259	183,044	(19.0)	198,200	(12.1)
1-4 Family Investment Mortgage	505,611	524,152	(14.0)	583,419	(13.3)
Total 1-4 Family Properties	679,870	707,196	(15.3)	781,619	(13.0)
Commercial Development	60,675	61,608	(6.0)	70,062	(13.4)
Residential Development	93,166	91,578	6.9	114,079	(18.3)
Land Acquisition	169,829	186,334	(35.1)	299,463	(43.3)
Land and Development	323,670	339,520	(18.5)	483,604	(33.1)
Total Commercial Real Estate	6,564,491	6,712,406	(8.7)	6,935,288	(5.3)
Consumer Mortgages	2,934,235	2,843,244	12.7	2,633,503	11.4
Home Equity Lines	1,515,796	1,465,419	13.6	1,514,227	0.1
Credit Cards	258,245	245,149	21.2	232,676	11.0
Other Consumer Loans	1,916,743	1,831,385	18.5	1,473,451	30.1
Total Consumer	6,625,019	6,385,197	14.9	5,853,857	13.2
Unearned Income	(24,143)	(23,781)	6.0	(25,331)	(4.7)
Total	\$ 25,946,573	25,577,116	5.7	\$ 24,787,464	4.7 %

⁽¹⁾ Percentage change is annualized.

NON-PERFORMING LOANS COMPOSITION

(Unaudited)

(Dollars in thousands)

Loan Type	Total Non-performing Loans December 31, 2018	Total Non-performing Loans September 30, 2018	Linked Quarter % Change	Total Non-performing Loans December 31, 2017	Year/Year % Change
Commercial, Financial, and Agricultural Owner-Occupied	\$ 69,295 8,971	69,010 5,708	0.4 % 57.2	\$ 70,130 6,654	(1.2)% 34.8
Total Commercial & Industrial	78,266	74,718	4.7	76,784	1.9
Multi-Family	237	234	1.3	1,241	(80.9)
Hotels	—	—	—	—	—
Office Buildings	165	166	(0.6)	1,532	(89.2)
Shopping Centers	89	89	—	165	(46.1)
Warehouses	—	—	—	226	(100.0)
Other Investment Property	1,890	1,666	13.4	640	195.3
Total Investment Properties	2,381	2,155	10.5	3,804	(37.4)
1-4 Family Investment Mortgage	2,381	3,139	(24.1)	2,849	(16.4)
Total 1-4 Family Properties	2,381	3,139	(24.1)	2,849	(16.4)
Commercial Development	93	42	121.4	45	106.7
Residential Development	1,444	3,184	(54.6)	3,257	(55.7)
Land Acquisition	1,416	1,603	(11.7)	2,495	(43.2)
Land and Development	2,953	4,829	(38.8)	5,797	(49.1)
Total Commercial Real Estate	7,715	10,123	(23.8)	12,450	(38.0)
Consumer Mortgages	4,949	5,313	(6.9)	7,203	(31.3)
Home Equity Lines	12,114	14,498	(16.4)	17,455	(30.6)
Other Consumer Loans	3,689	3,773	(2.2)	1,669	121.0
Total Consumer	20,752	23,584	(12.0)	26,327	(21.2)
Total	\$ 106,733	108,425	(1.6)%	\$ 115,561	(7.6)%

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CREDIT QUALITY DATA

(Unaudited)

(Dollars in thousands)

	2018				2017	Year/Year % change
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	
Non-performing Loans	\$ 106,733	108,425	117,328	120,081	115,561	(7.6)%
Impaired Loans Held for Sale ⁽¹⁾	1,506	12	2,733	6,591	11,278	nm
Other Real Estate	6,220	8,542	6,288	4,496	3,758	65.5
Non-performing Assets	114,459	116,979	126,349	131,168	130,597	(12.4)
Allowance for loan losses	250,555	251,450	251,725	257,764	249,268	0.5
Net Charge-Offs - Quarter	13,044	15,257	17,829	4,280	8,979	
Net Charge-Offs - YTD	50,410	37,366	22,109	4,280	69,675	
Net Charge-Offs / Average Loans - Quarter ⁽²⁾	0.20%	0.24	0.29	0.07	0.15	
Net Charge-Offs / Average Loans - YTD ⁽²⁾	0.20	0.20	0.18	0.07	0.29	
Non-performing Loans / Loans	0.41	0.42	0.47	0.48	0.47	
Non-performing Assets / Loans, Impaired Loans Held for Sale, & ORE	0.44	0.46	0.50	0.53	0.53	
Allowance / Loans	0.97	0.98	1.00	1.04	1.01	
Allowance / Non-performing Loans	234.75	231.91	214.55	214.66	215.70	
Allowance / Non-performing Loans ⁽³⁾	297.68	288.21	262.99	241.49	238.44	
Past Due Loans over 90 days and Still Accruing	\$ 3,798	4,856	3,222	5,416	4,414	(14.0)
As a Percentage of Loans Outstanding	0.01%	0.02	0.01	0.02	0.02	
Total Past Due Loans and Still Accruing	\$ 56,927	78,323	55,614	54,150	52,032	9.4
As a Percentage of Loans Outstanding	0.22%	0.31	0.22	0.22	0.21	
Accruing Troubled Debt Restructurings (TDRs)	\$ 115,588	114,740	125,310	129,394	151,271	(23.6)

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

⁽²⁾ Ratio is annualized.

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

SELECTED CAPITAL INFORMATION ⁽¹⁾

(Unaudited)

(Dollars in thousands)

	December 31, 2018	September 30, 2018	December 31, 2017
Tier 1 Capital	\$ 3,090,418	3,038,769	2,872,001
Total Risk-Based Capital	3,601,377	3,550,687	3,383,081
Common Equity Tier 1 Ratio (transitional)	10.04%	9.90	9.99
Common Equity Tier 1 Ratio (fully phased-in) ⁽⁵⁾	10.00	9.86	9.88
Tier 1 Capital Ratio	10.70	10.57	10.38
Total Risk-Based Capital Ratio	12.47	12.36	12.23
Tier 1 Leverage Ratio	9.60	9.58	9.19
Common Equity as a Percentage of Total Assets ⁽²⁾	8.99	8.87	9.08
Tangible Common Equity as a Percentage of Tangible Assets ^{(3) (5)}	8.81	8.68	8.88
Book Value Per Common Share ⁽⁴⁾	\$ 25.36	24.38	23.85
Tangible Book Value Per Common Share ⁽³⁾	24.78	23.80	23.27

⁽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.