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Synovus Announces Earnings for the First Quarter 2020
Diluted Earnings per Share of \$0.20 vs. \$0.72 in 1Q19
Adjusted Diluted Earnings per Share of \$0.21 vs. \$0.98 in 1Q19

COLUMBUS, Ga., April 24, 2020 - Synovus Financial Corp. (NYSE: SNV) today reported financial results for the quarter ended March 31, 2020.

First Quarter 2020 Highlights

- Diluted EPS of \$0.20; adjusted diluted EPS of \$0.21.
- Period-end loan growth of \$1.10 billion sequentially, or 11.9% annualized.
- Core transaction deposits (non-interest bearing, NOW/savings, and money market deposits excluding public and brokered funds) increased \$623.0 million sequentially, or 10.4% annualized. Core interest-bearing deposit (NOW/savings, money market, and time deposit) costs in March down 26 bps from 4Q19, excluding purchase accounting adjustments (PAA).
- Net interest margin of 3.37% vs. 3.65% in 4Q19; 3.35% vs. 3.40% in 4Q19 for net interest margin excluding PAA.
- Non-interest revenue increased \$5.9 million sequentially and \$24.5 million year-over-year.
- Adoption of Current Expected Credit Loss (CECL) on January 1, 2020, which resulted in a Day One reserve increase of \$110.4 million, or 39.1% from 4Q19.
- Provision for credit losses of \$158.7 million included significant economic stress due to COVID-19 healthcare crisis and the first quarter under CECL; allowance for credit losses to loan ratio of 1.39%.
- Credit quality metrics remain near historic lows, with the non-performing loan (NPL) ratio and net charge-off ratio of 0.41% and 0.21%, respectively.
- Paused share repurchase activity beyond the \$16.2 million completed in the first quarter.
- Withdrew 2020 guidance and long-term goals announced with the 4Q19 earnings call.
- Funded approximately \$2.0 billion in Paycheck Protection Program loans as of April 22, 2020.
- 97%+ of branches operational as drive-thru and appointment only; 80%+ team members working remotely.
- Provided bonus pay for on-site hourly team members and additional paid leave for virus-related hardships.
- Shareholders approved the elimination of 10-for-1 voting and supermajority voting requirements at the 2020 Annual Meeting on April 22, 2020.

First Quarter Summary

<i>(dollars in thousands)</i>	Reported			Adjusted		
	1Q20	4Q19	1Q19	1Q20	4Q19	1Q19
Net income available to common shareholders	\$ 30,230	\$ 143,393	\$ 117,036	\$ 30,708	\$ 140,069	\$ 160,155
Diluted earnings per share	0.20	0.97	0.72	0.21	0.94	0.98
Total loans	38,258,024	37,162,450	35,634,501	N/A	N/A	N/A
Total deposits	39,826,585	38,405,504	38,075,190	N/A	N/A	N/A
Total revenues	477,903	497,992	477,183	473,424	492,049	476,250
Return on avg assets	0.32 %	1.27 %	1.06 %	0.32 %	1.24 %	1.45 %
Return on avg common	2.75	13.08	10.98	2.79	12.78	15.03
Return on avg tangible common equity	3.34	15.18	12.88	3.39	14.84	17.52
Net interest margin	3.37	3.65	3.78	3.35	3.40	3.59
Efficiency ratio	57.81	53.44	61.28	56.72	53.20	50.24
NCO ratio	0.21	0.10	0.19	N/A	N/A	N/A
NPA ratio	0.50	0.37	0.44	N/A	N/A	N/A

“The first quarter of 2020 — especially our response to the COVID-19 crisis — demonstrates the resiliency we’ve built as an organization, and our ability to execute, innovate and rise to the occasion for team members, customers, and communities,” said Kessel D. Stelling, Synovus chairman and CEO. “Despite the challenging environment, the quarter reflected strong year-over-year growth in loans, core transaction deposits, and fee income as we continued to execute effectively on our strategic growth objectives. We enter this downturn from a position of strength, with robust capital and liquidity, strong credit quality, and solid operating fundamentals.

“In March, we immediately shifted focus to providing assistance and relief to customers, while ensuring the safety and wellness of our team members,” Stelling continued. “We are also proud to have secured funding to date of more than \$2 billion in Paycheck Protection Program loans to small business customers. The intensity of demand for PPP and other assistance programs directly reflects the urgency of our customers’ needs based on current economic conditions, and we are grateful for the opportunity to support them in this time of crisis.”

Balance Sheet

Loans**

<i>(dollars in millions)</i>	1Q20	4Q19	Linked Quarter Change	Linked Quarter % Change*	1Q19	Year/Year Change	Year/Year % Change
Commercial & industrial	\$17,661.4	\$16,782.7	\$ 878.8	21.1 %	\$16,108.9	\$ 1,552.5	9.6 %
Commercial real estate	10,671.2	10,480.5	190.7	7.3	10,287.1	384.1	3.7
Consumer	9,950.9	9,924.7	26.3	1.1	9,262.1	688.8	7.4
Unearned income	(25.5)	(25.4)	(0.2)	2.7	(23.7)	(1.9)	7.9
Total loans	\$38,258.0	\$37,162.5	\$ 1,095.6	11.9 %	\$35,634.5	\$ 2,623.5	7.4 %

* Annualized

** Amounts may not total due to rounding

- Total loans ended the quarter at \$38.26 billion, up \$1.10 billion sequentially, or 11.9% annualized.
- Total funded loan production of \$3.06 billion and existing revolver growth of approximately \$300 million sequentially.
- Commercial and industrial loans increased \$878.8 million sequentially, with broad-based growth across industries and line utilization up modestly from 46% to 50%, primarily in March.

- Commercial real estate loans increased by \$190.7 million sequentially, largely due to the strong momentum gained from the fourth quarter.
- Consumer loans increased \$26.3 million sequentially, with growth in HELOC and consumer mortgages more than offsetting declines in other consumer loans including lending partnerships.

Deposits**

<i>(dollars in millions)</i>	1Q20	4Q19	Linked Quarter Change	Linked Quarter % Change*	1Q19	Year/Year Change	Year/Year % Change
Non-interest-bearing DDA	\$ 8,968.8	\$ 8,661.2	\$ 307.5	14.3 %	\$ 8,440.5	\$ 528.2	6.3 %
Interest-bearing DDA	4,617.4	4,769.5	(152.1)	(12.8)	4,911.2	(293.8)	(6.0)
Money market	10,255.0	9,827.4	427.7	17.5	8,912.5	1,342.5	15.1
Savings	949.5	909.5	40.0	17.7	903.8	45.7	5.1
Public funds	5,261.4	4,622.3	639.1	55.6	4,630.0	631.4	13.6
Time deposits	5,786.6	6,185.6	(399.0)	(25.9)	7,568.1	(1,781.4)	(23.5)
Brokered deposits	3,987.9	3,430.0	558.0	65.4	2,709.0	1,278.9	47.2
Total deposits	<u>\$39,826.6</u>	<u>\$38,405.5</u>	<u>\$ 1,421.1</u>	<u>14.9 %</u>	<u>\$38,075.2</u>	<u>\$ 1,751.4</u>	<u>4.6 %</u>

* Annualized

** Amounts may not total due to rounding

- Total deposits ended the quarter at \$39.83 billion, up \$1.42 billion sequentially, or 14.9% annualized.
- Core transaction deposits and public funds increased \$623.0 million and \$639.1 million sequentially, respectively, while CDs declined by \$399.0 million.
- Core interest-bearing deposit costs in March down 26 bps from 4Q19 (excluding PAA).
- The loan to deposit ratio for the quarter was 96.1% compared to 96.8% in the fourth quarter.

Income Statement Summary**

<i>(in thousands, except per share data)</i>	1Q20	4Q19	Linked Quarter Change	Linked Quarter % Change	1Q19	Year/Year Change	Year/Year % Change
Net interest income	\$ 373,260	\$ 399,268	\$ (26,008)	(6.5)%	\$ 397,175	\$ (23,915)	(6.0)%
Non-interest revenue	103,857	97,955	5,902	6.0	79,378	24,479	30.8
Non-interest expense	276,279	266,121	10,158	3.8	292,410	(16,131)	(5.5)
Provision for credit losses	158,722	24,470	134,252	548.6	23,569	135,153	573.4
Income before taxes	\$ 42,116	\$ 206,632	\$(164,516)	(79.6)%	\$ 160,574	\$(118,458)	(73.8)%
Income tax expense	3,595	54,948	(51,353)	(93.5)	40,388	(36,793)	(91.1)
Preferred stock dividends	8,291	8,291	—	—	3,150	5,141	163.2
Net income available to common shareholders	<u>\$ 30,230</u>	<u>\$ 143,393</u>	<u>\$(113,163)</u>	<u>(78.9)%</u>	<u>\$ 117,036</u>	<u>\$ (86,806)</u>	<u>(74.2)%</u>
Weighted average common shares outstanding, diluted	148,401	148,529	(128)	(0.1)	162,760	(14,359)	(8.8)%
Diluted earnings per share	\$ 0.20	\$ 0.97	\$ (0.77)	(78.9)%	\$ 0.72	\$ (0.52)	(71.7)
Adjusted diluted earnings per share	\$ 0.21	\$ 0.94	\$ (0.73)	(78.1)%	\$ 0.98	\$ (0.77)	(79.0)

** Amounts may not total due to rounding

nm - not meaningful

Core Performance

- Total revenues were \$477.9 million in the first quarter, down \$20.1 million sequentially, including an expected decline of \$24.8 million in PAA.
- Net interest income decreased \$26.0 million, or 6.5% sequentially, including an expected decline of \$24.8 million in PAA.
- Net interest margin was 3.37%, down 28 bps from the prior quarter. Excluding the impact of PAA, net interest margin was 3.35%, down 5 bps sequentially.
- Non-interest revenue increased \$5.9 million, or 6.0% sequentially, and increased \$24.5 million, or 30.8% year-over-year. Adjusted non-interest revenue increased \$7.4 million, or 8.0% sequentially, and \$20.9 million, or 26.7% year-over-year.
 - The sequential growth in net mortgage revenues of \$2.9 million and capital markets income of \$2.3 million more than offset a \$1.7 million decline in core banking fees due to seasonality and impact from COVID-19 and fee waivers.
- Non-interest expense increased \$10.2 million, or 3.8% sequentially. Adjusted non-interest expense increased \$6.5 million, or 2.5% sequentially.
 - The increase in expenses resulted mainly from seasonally higher employment expense and COVID-related bonuses for front-line team members.
- Provision for credit losses was \$158.7 million, a \$134.3 million increase sequentially, primarily impacted by the significant economic stress due to the COVID-19 healthcare crisis and reflected the first quarter under CECL.
- The effective tax rate was 8.54% for the quarter, reflecting favorable discrete items.

Capital Ratios

	1Q20	4Q19	1Q19
Common equity Tier 1 capital (CET1) ratio	8.72 % *	8.95 %	9.52 %
Tier 1 capital ratio	9.97 *	10.23	10.01
Total risk-based capital ratio	12.31 *	12.25	12.06
Tier 1 leverage ratio	8.94 *	9.16	8.81
Tangible common equity ratio	7.94	8.08	8.34

* Ratios are preliminary.

Capital

- CET1 ratio declined 23 bps during the quarter to 8.72%. The decline includes a reduction of 25 bps from risk-weighted asset growth, primarily from increases in loans. The March 31, 2020 ratios reflect Synovus' election of a five-year transition provision to delay for two years the estimated impact of CECL on regulatory capital, followed by a three year transition period.
- Repurchased \$16.2 million in common stock, or 450 thousand shares, during the quarter. Share repurchase activity has been suspended.

First Quarter Earnings Conference Call

Synovus will host an earnings highlights conference call at 8:30 a.m. EDT on April 24, 2020. 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 \$51 billion in assets. Synovus provides commercial and retail banking, investment, and mortgage services through 299 branches in Georgia, Alabama, South Carolina, Florida, and Tennessee. Synovus Bank, a wholly owned subsidiary of Synovus, has been recognized as one of the country's "Most Reputable Banks" by American Banker and the Reputation Institute. 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 our future operating and financial performance, our expectations regarding net interest income and net interest margin; expectations on our growth strategy, expense and revenue initiatives, capital management, liquidity and funding, and future profitability; expectations on credit quality and performance; 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 uncertainties related to the impact of the COVID-19 pandemic on Synovus’ assets, business, liquidity, financial condition, prospects and results of operations, and 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, 2019, under the captions “Cautionary Notice Regarding Forward-Looking Statements” and “Risk Factors” and in Synovus’ quarterly reports on Form 10-Q and current reports on Form 8-K. We believe these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations and speak only as of the date that they are made. We do not assume any obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as otherwise may be required by law.

Non-GAAP Financial Measures

The measures entitled adjusted non-interest income; adjusted non-interest expense; adjusted total revenues; adjusted tangible efficiency ratio; adjusted net income available to common shareholders; adjusted earnings per diluted share; adjusted return on average assets; adjusted return on average common equity; return on average tangible common equity; adjusted return on average tangible common equity; and tangible common equity ratio are not measures recognized under GAAP and therefore are considered non-GAAP financial measures. The most comparable GAAP measures to these measures are total non-interest income; total non-interest expense; total revenues; efficiency ratio-FTE; net income available to common shareholders; earnings per diluted common share; return on average assets; return on average common equity; and the ratio of total shareholders' equity to total assets, respectively.

Management believes that these non-GAAP financial measures provide meaningful additional information about Synovus to assist management and investors in evaluating Synovus' operating results, financial strength, the performance of its business, and the strength of its capital position. However, these non-GAAP financial measures have inherent limitations as analytical tools and should not be considered in isolation or as a substitute for analyses of operating results or capital position as reported under GAAP. The non-GAAP financial measures should be considered as additional views of the way our financial measures are affected by significant items and other factors, and since they are not required to be uniformly applied, they may not be comparable to other similarly titled measures at other companies. Adjusted total revenues and adjusted non-interest income are measures used by management to evaluate total revenues and non-interest income exclusive of net investment securities gains (losses) and gains on sales and changes in the fair value of private equity investments, net. Adjusted non-interest expense and the adjusted tangible efficiency ratio are measures utilized by management to measure the success of expense management initiatives focused on reducing recurring controllable operating costs. Adjusted net income available to common shareholders, adjusted earnings per diluted share, adjusted return on average assets, and adjusted return on average common equity are measures used by management to evaluate operating results exclusive of items that are not indicative of ongoing operations and impact period-to-period comparisons. Return on average tangible common equity and adjusted return on average tangible common equity are measures used by management to compare Synovus' performance with other financial institutions because it calculates the return available to common shareholders without the impact of intangible assets and their related amortization, thereby allowing management to evaluate the performance of the business consistently. The tangible common equity ratio is used by management 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)

Adjusted non-interest revenue

	1Q20	4Q19	1Q19
Total non-interest revenue	\$ 103,857	\$ 97,955	\$ 79,378
Subtract/add: Investment securities (gains) losses, net	(8,734)	2,157	(75)
Add/subtract: Fair value decrease (increase) of private equity	4,255	(8,100)	(858)
Adjusted non-interest revenue	<u>\$ 99,378</u>	<u>\$ 92,012</u>	<u>\$ 78,445</u>

Adjusted non-interest expense

Total non-interest expense	\$ 276,279	\$ 266,121	\$ 292,410
Add/subtract: Merger-related expense	—	913	(49,738)
Subtract: Restructuring charges, net	(3,220)	(1,259)	(19)
Subtract: Valuation adjustment to Visa derivative	—	(1,111)	—
Subtract: Loss on early extinguishment of debt, net	(1,904)	—	—
Adjusted non-interest expense	<u>\$ 271,155</u>	<u>\$ 264,664</u>	<u>\$ 242,653</u>

Reconciliation of Non-GAAP Financial Measures, continued

(dollars in thousands)

Adjusted total revenues and adjusted tangible efficiency ratio

	1Q20	4Q19	1Q19
Adjusted non-interest expense	\$ 271,155	\$ 264,664	\$ 242,653
Subtract: Amortization of intangibles	(2,640)	(2,901)	(3,392)
Adjusted tangible non-interest expense	<u>\$ 268,515</u>	<u>\$ 261,763</u>	<u>\$ 239,261</u>
Net interest income	\$ 373,260	\$ 399,268	\$ 397,175
Add: Tax equivalent adjustment	786	769	630
Add: Total non-interest revenue	<u>103,857</u>	<u>97,955</u>	<u>79,378</u>
Total FTE revenues	477,903	497,992	477,183
Subtract/add: Investment securities (gains)/losses, net	(8,734)	2,157	(75)
Add/subtract: Fair value decrease (increase) of private equity	<u>4,255</u>	<u>(8,100)</u>	<u>(858)</u>
Adjusted total revenues	<u><u>\$ 473,424</u></u>	<u><u>\$ 492,049</u></u>	<u><u>\$ 476,250</u></u>
Efficiency ratio-FTE	57.81 %	53.44 %	61.28 %
Adjusted tangible efficiency ratio	<u>56.72</u>	<u>53.20</u>	<u>50.24</u>

Adjusted return on average assets

Net income	\$ 38,521	\$ 151,684	\$ 120,186
Subtract/add: Merger-related expense	—	(913)	49,738
Add: Restructuring charges, net	3,220	1,259	19
Add: Valuation adjustment to Visa derivative	—	1,111	—
Add: Loss on early extinguishment of debt, net	1,904	—	—
Subtract/add: Investment securities (gains) losses, net	(8,734)	2,157	(75)
Add/subtract: Fair value decrease (increase) of private equity	<u>4,255</u>	<u>(8,100)</u>	<u>(858)</u>
Subtract/add: Tax effect of adjustments	<u>(167)</u>	<u>1,162</u>	<u>(5,705)</u>
Adjusted net income	<u>\$ 38,999</u>	<u>\$ 148,360</u>	<u>\$ 163,305</u>
Net income annualized	\$ 154,931	\$ 601,790	\$ 487,421
Adjusted net income annualized	<u>\$ 156,853</u>	<u>\$ 588,602</u>	<u>\$ 662,293</u>
Total average assets	\$ 48,696,595	\$ 47,459,405	\$ 45,794,621
Return on average assets	0.32 %	1.27 %	1.06 %
Adjusted return on average assets	<u>0.32</u>	<u>1.24</u>	<u>1.45</u>

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

Net income available to common shareholders	\$ 30,230	\$ 143,393	\$ 117,036
Subtract/add: Merger-related expense	—	(913)	49,738
Add: Restructuring charges, net	3,220	1,259	19
Add: Valuation adjustment to Visa derivative	—	1,111	—
Add: Loss on early extinguishment of debt, net	1,904	—	—
Subtract/add: Investment securities (gains) losses, net	(8,734)	2,157	(75)
Add/subtract: Fair value decrease (increase) of private equity	<u>4,255</u>	<u>(8,100)</u>	<u>(858)</u>
Subtract/add: Tax effect of adjustments	<u>(167)</u>	<u>1,162</u>	<u>(5,705)</u>
Adjusted net income available to common shareholders	<u>\$ 30,708</u>	<u>\$ 140,069</u>	<u>\$ 160,155</u>
Weighted average common shares outstanding, diluted	148,401	148,529	162,760
Net income per common share, diluted	\$ 0.20	\$ 0.97	\$ 0.72
Adjusted net income per common share, diluted	<u>0.21</u>	<u>0.94</u>	<u>0.98</u>

Reconciliation of Non-GAAP Financial Measures, continued

(dollars in thousands)

	1Q20	4Q19	1Q19
Adjusted return on average common equity, return on average tangible common equity, and adjusted return on average tangible common equity			
Net income available to common shareholders	\$ 30,230	\$ 143,393	\$ 117,036
Subtract/add: Merger-related expense	—	(913)	49,738
Add: Restructuring charges, net	3,220	1,259	19
Add: Valuation adjustment to Visa derivative	—	1,111	—
Add: Loss on early extinguishment of debt, net	1,904	—	—
Subtract/add: Investment securities (gains) losses, net	(8,734)	2,157	(75)
Add/subtract: Fair value decrease (increase) of private equity	4,255	(8,100)	(858)
Subtract/add: Tax effect of adjustments	(167)	1,162	(5,705)
Adjusted net income available to common shareholders	\$ 30,708	\$ 140,069	\$ 160,155
Adjusted net income available to common shareholders annualized	\$ 123,507	\$ 555,709	\$ 649,518
Add: Amortization of intangibles	7,868	8,528	10,317
Adjusted net income available to common shareholders excluding amortization of intangibles annualized	\$ 131,375	\$ 564,237	\$ 659,835
Net income available to common shareholders annualized	\$ 121,584	\$ 568,896	\$ 474,646
Add: Amortization of intangibles	7,868	8,528	10,317
Net income available to common shareholders excluding amortization of intangibles annualized	\$ 129,452	\$ 577,424	\$ 484,963
Total average shareholders' equity less preferred stock	\$ 4,424,278	\$ 4,348,250	\$ 4,321,561
Subtract: Goodwill	(497,267)	(488,223)	(480,215)
Subtract: Other intangible assets, net	(54,514)	(57,149)	(75,191)
Total average tangible shareholders' equity less preferred stock	\$ 3,872,497	\$ 3,802,878	\$ 3,766,155
Return on average common equity	2.75 %	13.08 %	10.98 %
Adjusted return on average common equity	2.79	12.78	15.03
Return on average tangible common equity	3.34	15.18	12.88
Adjusted return on average tangible common equity	3.39	14.84	17.52

	March 31, 2020	December 31, 2019	March 31, 2019
Tangible common equity ratio			
Total assets	\$ 50,619,585	\$ 48,203,282	\$ 46,630,025
Subtract: Goodwill	(497,267)	(497,267)	(485,000)
Subtract: Other intangible assets, net	(53,032)	(55,671)	(74,683)
Tangible assets	\$ 50,069,286	\$ 47,650,344	\$ 46,070,342
Total shareholders' equity	\$ 5,065,205	\$ 4,941,690	\$ 4,597,753
Subtract: Goodwill	(497,267)	(497,267)	(485,000)
Subtract: Other intangible assets, net	(53,032)	(55,671)	(74,683)
Subtract: Preferred Stock, no par value	(537,145)	(537,145)	(195,140)
Tangible common equity	\$ 3,977,761	\$ 3,851,607	\$ 3,842,930
Total shareholders' equity to total assets ratio	10.01 %	10.25 %	9.86 %
Tangible common equity ratio	7.94	8.08	8.34

Synovus

INCOME STATEMENT DATA

(Unaudited)

(Dollars in thousands, except per share data)

	2020		2019			First Quarter
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	20 vs '19 % Change
Interest income	\$483,897	506,253	523,415	516,131	504,839	(4.1) %
Interest expense	110,637	106,985	121,318	118,869	107,664	2.8
Net interest income	373,260	399,268	402,097	397,262	397,175	(6.0)
Provision for credit losses	158,722	24,470	27,562	12,119	23,569	573.4
Net interest income after provision for credit losses	214,538	374,798	374,535	385,143	373,606	(42.6)
Non-interest revenue:						
Service charges on deposit accounts	20,689	22,385	22,952	21,994	20,859	(0.8)
Fiduciary and asset management fees	15,174	15,645	14,686	14,478	13,578	11.8
Card fees	10,950	11,325	12,297	11,161	10,877	0.7
Brokerage revenue	12,398	11,106	11,071	10,052	9,379	32.2
Mortgage banking income	12,227	9,287	10,351	7,907	5,054	141.9
Capital markets income	11,243	8,972	7,396	8,916	5,245	114.4
Income from bank-owned life insurance	6,038	5,620	5,139	5,176	5,290	14.1
Investment securities gains/(losses), net	8,734	(2,157)	(3,731)	(1,845)	75	nm
Fair value (decrease)/increase and gain on sale of private equity investments	(4,255)	8,100	1,194	1,455	858	nm
Other non-interest revenue	10,659	7,672	7,405	10,513	8,163	30.6
Total non-interest revenue	103,857	97,955	88,760	89,807	79,378	30.8
Non-interest expense:						
Salaries and other personnel expense	149,678	145,084	142,516	143,009	139,427	7.4
Net occupancy and equipment expense	42,194	42,644	41,017	39,851	38,394	9.9
Third-party processing and other services	21,480	20,293	18,528	19,118	17,758	21.0
Professional Fees	10,675	9,921	9,719	9,312	6,348	68.2
FDIC insurance and other regulatory fees	5,278	9,825	7,242	7,867	6,761	(21.9)
Advertising expense	4,752	4,375	5,950	5,923	5,123	(7.2)
Amortization of intangibles	2,640	2,901	2,901	2,410	3,392	(22.2)
Merger-related expense	—	(913)	353	7,401	49,738	nm
Earnout liability adjustments	—	—	10,457	—	—	nm
Loss on early extinguishment of debt, net	1,904	—	4,592	—	—	nm
Valuation adjustment to Visa derivative	—	1,111	2,500	—	—	nm
Restructuring charges	3,220	1,259	(66)	18	19	nm
Other operating expenses	34,458	29,621	30,601	29,217	25,450	35.4
Total non-interest expense	276,279	266,121	276,310	264,126	292,410	(5.5)
Income before income taxes	42,116	206,632	186,985	210,824	160,574	(73.8)
Income tax expense	3,595	54,948	51,259	54,640	40,388	(91.1)
Net income	38,521	151,684	135,726	156,184	120,186	(67.9)
Less: Preferred stock dividends	8,291	8,291	8,291	3,150	3,150	163.2
Net income available to common shareholders	\$ 30,230	143,393	127,435	153,034	117,036	(74.2) %
Net income per common share, basic	\$ 0.21	0.98	0.84	0.97	0.73	(71.8) %
Net income per common share, diluted	0.20	0.97	0.83	0.96	0.72	(71.7)
Cash dividends declared per common share	0.33	0.30	0.30	0.30	0.30	10.0
Return on average assets *	0.32 %	1.27	1.14	1.34	1.06	(74)bps
Return on average common equity *	2.75	13.08	11.36	13.90	10.98	(823)
Weighted average common shares outstanding, basic	147,311	146,948	152,238	157,389	160,927	(8.5) %
Weighted average common shares outstanding, diluted	148,401	148,529	154,043	159,077	162,760	(8.8)

nm - not meaningful

bps - basis points

* - ratios are annualized

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BALANCE SHEET DATA

(Unaudited)

(In thousands, except share data)

ASSETS

	March 31, 2020	December 31, 2019	March 31, 2019
Cash and due from banks	\$ 652,451	\$ 535,846	\$ 519,681
Interest-bearing funds with Federal Reserve Bank	1,020,775	553,390	688,470
Interest earning deposits with banks	20,717	20,635	24,147
Federal funds sold and securities purchased under resale agreements	129,891	77,047	33,627
Cash and cash equivalents	1,823,834	1,186,918	1,265,925
Investment securities available for sale, at fair value	6,937,240	6,778,670	6,808,191
Mortgage loans held for sale, at fair value	119,841	115,173	55,970
Loans, net of deferred fees and costs	38,258,024	37,162,450	35,634,501
Allowance for loan losses	(493,452)	(281,402)	(257,036)
Loans, net	37,764,572	36,881,048	35,377,465
Cash surrender value of bank-owned life insurance	1,031,544	775,665	761,098
Premises and equipment, net	482,462	493,940	479,965
Goodwill	497,267	497,267	485,000
Other intangible assets	53,032	55,671	74,683
Other assets	1,909,793	1,418,930	1,321,728
Total assets	<u>\$ 50,619,585</u>	<u>\$ 48,203,282</u>	<u>\$ 46,630,025</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Deposits:

Non-interest-bearing deposits	\$ 9,659,451	\$ 9,439,485	\$ 9,144,315
Interest-bearing deposits	30,167,134	28,966,019	28,930,875
Total deposits	39,826,585	38,405,504	38,075,190
Federal funds purchased and securities sold under repurchase agreements	312,776	165,690	314,383
Other short-term borrowings	1,175,000	1,753,560	853,000
Long-term debt	3,152,339	2,153,897	2,106,037
Other liabilities	1,087,680	782,941	683,662
Total liabilities	<u>45,554,380</u>	<u>43,261,592</u>	<u>42,032,272</u>

Shareholders' equity:

Preferred stock - no par value. Authorized 100,000,000 shares; issued 22,000,000, 22,000,000, and 8,000,000	537,145	537,145	195,140
Common stock - \$1.00 par value. Authorized 342,857,143 shares; issued 167,359,689, 166,800,623, and 165,929,349; outstanding 147,266,662, 147,157,596, and 157,454,007	167,360	166,801	165,929
Additional paid-in capital	3,821,357	3,819,336	3,794,262
Treasury stock, at cost - 20,093,027, 19,643,027, and 8,475,342 shares	(731,806)	(715,560)	(319,898)
Accumulated other comprehensive income (loss), net	256,911	65,641	(18,342)
Retained earnings	1,014,238	1,068,327	780,662
Total shareholders' equity	<u>5,065,205</u>	<u>4,941,690</u>	<u>4,597,753</u>
Total liabilities and shareholders' equity	<u>\$ 50,619,585</u>	<u>\$ 48,203,282</u>	<u>\$ 46,630,025</u>

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AVERAGE BALANCES AND YIELDS/RATES ⁽¹⁾

(Unaudited)

(Dollars in thousands)

	2020	2019			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Interest Earning Assets					
Investment securities ⁽²⁾⁽⁴⁾	\$ 6,680,047	6,696,768	6,831,036	6,955,386	6,536,199
Yield	3.09 %	3.12	3.14	3.03	3.06
Trading account assets ⁽⁵⁾	\$ 6,306	7,986	5,519	4,853	2,049
Yield	2.70 %	2.69	4.01	1.83	1.30
Commercial loans ⁽³⁾⁽⁴⁾	\$ 27,607,343	26,698,202	26,568,194	26,353,973	26,140,672
Yield	4.57 %	4.82	5.09	5.13	5.16
Consumer loans ⁽³⁾	\$ 9,985,702	9,809,832	9,633,603	9,423,427	9,180,679
Yield	4.60 %	5.07	5.08	5.17	5.10
Allowance for loan losses	\$ (368,033)	(269,052)	(258,024)	(259,284)	(252,815)
Loans, net ⁽³⁾	\$ 37,225,012	36,238,982	35,943,773	35,518,116	35,068,536
Yield	4.62 %	4.93	5.13	5.17	5.17
Mortgage loans held for sale	\$ 86,415	117,909	99,556	70,497	34,913
Yield	3.67 %	3.77	3.93	4.27	4.48
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	\$ 652,130	514,635	513,160	511,488	679,477
Yield	1.02 %	1.71	2.08	2.37	2.45
Federal Home Loan Bank and Federal Reserve Bank Stock ⁽⁵⁾	\$ 284,082	278,586	254,994	234,949	211,408
Yield	3.38 %	2.85	3.85	3.29	4.82
Total interest earning assets	\$ 44,933,992	43,854,866	43,648,038	43,295,289	42,532,582
Yield	4.33 %	4.60	4.78	4.79	4.80
Interest-Bearing Liabilities					
Interest-bearing demand deposits	\$ 6,445,986	6,381,282	6,138,810	6,335,953	6,393,304
Rate	0.51 %	0.60	0.69	0.71	0.68
Money Market accounts	\$ 11,548,014	10,526,296	10,138,783	10,024,836	10,244,556
Rate	1.00 %	1.13	1.26	1.23	1.18
Savings deposits	\$ 926,822	915,640	900,366	904,183	901,059
Rate	0.05 %	0.05	0.05	0.05	0.06
Time deposits under \$100,000	\$ 1,761,741	1,873,350	2,100,492	2,245,878	2,238,568
Rate	1.64 %	1.27	1.39	1.39	1.24
Time deposits over \$100,000	\$ 5,051,705	5,198,266	5,957,691	6,331,665	6,211,067
Rate	2.04 %	1.51	1.69	1.70	1.60
Non-maturing brokered deposits	\$ 1,376,669	1,156,131	993,078	766,718	937,629
Rate	1.42 %	1.84	2.47	2.46	2.60
Brokered time deposits	\$ 2,166,496	2,121,069	2,119,149	1,985,589	1,845,819
Rate	2.11 %	2.16	2.27	2.28	2.13
Total interest-bearing deposits	\$ 29,277,433	28,172,034	28,348,369	28,594,822	28,772,002
Rate	1.18 %	1.16	1.32	1.30	1.24
Federal funds purchased and securities sold under repurchase agreements	\$ 167,324	192,731	221,045	300,168	233,076
Rate	0.30 %	0.24	0.22	0.20	0.22
Other short-term borrowings	\$ 1,384,362	1,565,507	1,307,370	1,090,581	517,456
Rate	1.66 %	1.87	2.31	2.59	2.58
Long-term debt	\$ 2,678,651	2,153,983	2,286,221	2,114,819	1,983,910
Rate	2.78 %	3.07	3.32	3.53	3.33
Total interest-bearing liabilities	\$ 33,507,770	32,084,255	32,163,005	32,100,390	31,506,444
Rate	1.30 %	1.30	1.47	1.48	1.38
Non-interest-bearing demand deposits	\$ 9,409,774	9,706,784	9,365,776	9,304,839	9,054,949
Cost of funds	1.04 %	1.02	1.16	1.15	1.07
Net interest margin	3.37 %	3.65	3.69	3.69	3.78
Taxable equivalent adjustment ⁽⁴⁾	\$ 786	769	819	811	630

⁽¹⁾ Yields and rates are annualized.

⁽²⁾ Excludes net unrealized gains and losses.

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

⁽⁴⁾ Reflects taxable-equivalent adjustments, using the statutory federal income tax rate of 21%, in adjusting interest on tax-exempt loans and investment securities to a taxable-equivalent basis.

⁽⁵⁾ Included as a component of other assets on the consolidated balance sheet.

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LOANS OUTSTANDING BY TYPE

(Unaudited)

(Dollars in thousands)

Loan Type	Total Loans	Total Loans	Linked Quarter	Total Loans	Year/Year
	March 31, 2020	December 31, 2019	% Change ⁽¹⁾	March 31, 2019	% Change
Commercial, Financial, and Agricultural	\$ 11,018,155	\$ 10,252,859	30.0 %	\$ 9,566,403	15.2 %
Owner-Occupied	6,643,287	6,529,811	7.0	6,542,506	1.5
Total Commercial & Industrial	17,661,442	16,782,670	21.1	16,108,909	9.6
Multi-Family	2,137,757	2,023,769	22.7	2,004,473	6.6
Hotels	1,314,053	1,284,291	9.3	1,179,395	11.4
Office Buildings	2,264,844	2,255,308	1.7	2,309,215	(1.9)
Shopping Centers	1,718,513	1,762,598	(10.1)	1,654,971	3.8
Warehouses	761,863	713,602	27.2	725,862	5.0
Other Investment Property	1,060,761	1,003,111	23.1	979,578	8.3
Total Investment Properties	9,257,791	9,042,679	9.6	8,853,494	4.6
1-4 Family Construction	268,695	284,594	(22.5)	289,607	(7.2)
1-4 Family Investment Mortgage	482,773	495,421	(10.3)	549,120	(12.1)
Total 1-4 Family Properties	751,468	780,015	(14.7)	838,727	(10.4)
Commercial Development	107,351	109,862	(9.2)	147,516	(27.2)
Residential Development	289,769	269,377	30.4	215,814	34.3
Land Acquisition	264,822	278,551	(19.8)	231,595	14.3
Land and Development	661,942	657,790	2.5	594,925	11.3
Total Commercial Real Estate	10,671,201	10,480,484	7.3	10,287,146	3.7
Consumer Mortgages	5,608,121	5,546,368	4.5	5,365,635	4.5
Home Equity Lines	1,778,862	1,713,157	15.4	1,606,227	10.7
Credit Cards	261,581	268,841	(10.9)	252,762	3.5
Other Consumer Loans	2,302,349	2,396,294	(15.8)	2,037,477	13.0
Total Consumer	9,950,913	9,924,660	1.1	9,262,101	7.4
Unearned Income	(25,532)	(25,364)	2.7	(23,655)	7.9
Total	\$ 38,258,024	\$ 37,162,450	11.9 %	\$ 35,634,501	7.4 %

⁽¹⁾ Percentage change is annualized.

NON-PERFORMING LOANS COMPOSITION

(Unaudited)

(Dollars in thousands)

Loan Type	Total Non-performing Loans	Total Non-performing Loans	Linked Quarter	Total Non-performing Loans	Year/Year
	March 31, 2020	December 31, 2019	% Change	March 31, 2019	% Change
Commercial, Financial, and Agricultural	\$ 99,287	\$ 56,186	76.7 %	\$ 85,917	15.6 %
Owner-Occupied	17,357	9,780	77.5	13,813	25.7
Total Commercial & Industrial	116,644	65,966	76.8	99,730	17.0
Multi-Family	356	385	(7.5)	1,503	(76.3)
Hotels	—	—	-	7,346	nm
Office Buildings	836	600	39.3	221	278.3
Shopping Centers	712	718	(0.8)	676	5.3
Other Investment Property	308	321	(4.0)	—	nm
Total Investment Properties	2,212	2,024	9.3	9,746	(77.3)
1-4 Family Construction	278	698	(60.2)	445	(37.5)
1-4 Family Investment Mortgage	2,047	1,555	31.6	1,522	34.5
Total 1-4 Family Properties	2,325	2,253	3.2	1,967	18.2
Commercial Development	596	87	585.1	46	nm
Residential Development	561	395	42.0	1,569	(64.2)
Land Acquisition	1,043	628	66.1	1,035	0.8
Land and Development	2,200	1,110	98.2	2,650	(17.0)
Total Commercial Real Estate	6,737	5,387	25.1	14,363	(53.1)
Consumer Mortgages	13,571	12,545	8.2	11,556	17.4
Home Equity Lines	12,475	12,034	3.7	14,078	(11.4)
Other Consumer Loans	6,860	5,704	20.3	4,249	61.4
Total Consumer	32,906	30,283	8.7	29,883	10.1
Total	\$ 156,287	\$ 101,636	53.8 %	\$ 143,976	8.6 %

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CREDIT QUALITY DATA

(Unaudited)

(Dollars in thousands)	2020	2019			First Quarter	
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	20 vs '19 % Change
Non-performing Loans (NPLs)	\$ 156,287	101,636	115,915	124,083	143,976	8.6 %
Other Real Estate and Other Assets	33,679	35,810	35,400	15,479	11,341	197.0
Non-performing Assets (NPAs)	189,966	137,446	151,315	139,562	155,317	22.3
Allowance for Loan Losses (ALL)	493,452	281,402	265,013	257,376	257,036	92.0
Reserve for Unfunded Commitments	38,420	1,375	1,496	995	1,070	nm
Allowance for Credit Losses (ACL)	531,872	282,777	266,509	258,371	258,106	106.1
Net Charge-Offs - Quarter	20,061	8,821	19,925	11,778	17,088	
Net Charge-Offs / Average Loans - Quarter ⁽¹⁾	0.21 %	0.10	0.22	0.13	0.19	
NPLs / Loans	0.41	0.27	0.32	0.34	0.40	
NPAs / Loans, ORE and specific other assets	0.50	0.37	0.42	0.39	0.44	
ACL/Loans	1.39	0.76	0.73	0.71	0.72	
ALL/Loans	1.29	0.76	0.73	0.71	0.72	
ACL/NPLs	340.32	278.23	229.92	208.22	179.27	
ALL/NPLs	315.74	276.87	228.63	207.42	178.53	
Past Due Loans over 90 days and Still Accruing	\$ 6,398	15,943	15,660	5,851	4,486	42.6
As a Percentage of Loans Outstanding	0.02 %	0.04	0.04	0.02	0.01	
Total Past Due Loans and Still Accruing	\$ 83,235	123,793	88,219	80,792	88,135	(5.6)
As a Percentage of Loans Outstanding	0.22 %	0.33	0.24	0.22	0.25	
Accruing Troubled Debt Restructurings (TDRs)	\$ 160,128	133,145	130,019	126,369	112,205	42.7

⁽¹⁾ Ratio is annualized.

SELECTED CAPITAL INFORMATION ⁽¹⁾

(Unaudited)

(Dollars in thousands)

	March 31, 2020	December 31, 2019	March 31, 2019
Tier 1 Capital	\$ 4,290,634	4,280,604	3,985,533
Total Risk-Based Capital	5,298,113	5,123,381	4,803,639
Common Equity Tier 1 Capital Ratio	8.72 %	8.95	9.52
Tier 1 Capital Ratio	9.97	10.23	10.01
Total Risk-Based Capital Ratio	12.31	12.25	12.06
Tier 1 Leverage Ratio	8.94	9.16	8.81
Common Equity as a Percentage of Total Assets ⁽²⁾	8.95	9.14	9.44
Tangible Common Equity Ratio ⁽³⁾⁽⁵⁾	7.94	8.08	8.34
Book Value Per Common Share ⁽⁴⁾	\$ 30.75	29.93	27.96
Tangible Book Value Per Common Share ⁽³⁾	27.01	26.17	24.41

⁽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.