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

*Diluted Earnings per Share of \$0.46, up 15.6% vs. 2Q15*  
*Adjusted Diluted Earnings per Share of \$0.49, up 16.9% vs. 2Q15*

**COLUMBUS, Ga., July 19, 2016** – Synovus Financial Corp. (NYSE: SNV) today reported financial results for the quarter ended June 30, 2016.

**Second Quarter Highlights**

- Net income available to common shareholders for the second quarter 2016 was \$57.9 million or \$0.46 per diluted share as compared to \$50.0 million, or \$0.39 per diluted share for the previous quarter and \$53.2 million, or \$0.40 per diluted share for the second quarter 2015.
  - Adjusted diluted earnings per share of \$0.49 grew 16.9% from \$0.42 for the second quarter 2015.
- Total loans grew \$302.7 million or 5.3% annualized from the previous quarter and \$1.57 billion or 7.3% as compared to the second quarter 2015.
- Total average deposits grew \$397.8 million or 6.9% annualized from the previous quarter and \$1.14 billion or 5.1% as compared to the second quarter 2015.
- Total revenues<sup>1</sup> of \$289.3 million grew \$8.1 million or 2.9% from the previous quarter and 7.0% from the second quarter 2015.
- Credit quality metrics improved with the NPL ratio declining to 0.67% from 0.78% in the previous quarter and 0.81% in the second quarter 2015.
- The company continued to execute on the \$300 million repurchase program announced in October 2015, acquiring \$60.5 million of common stock in the second quarter.
  - From October 2015 through July 18, 2016, the company has repurchased \$236.2 million of common stock, reducing total share count by 8.0 million.

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

“Our second quarter results demonstrate continued solid performance, including strong revenue growth and further diversification of our loan portfolio with increases in both C&I and consumer lending,” said Kessel D. Stelling, Synovus Chairman and CEO. “We were also pleased during the second quarter to be named by *American Banker* and the Reputation Institute as one of the nation’s most reputable banks. This recognition further demonstrates our team’s commitment to exceptional service, and further validates that our relationship-centered model is a highly-valued competitive differentiator. We were especially pleased with the number one ranking by non-customers, which we believe signals a strong opportunity to gain market share.”

## Balance Sheet

- Total loans ended the quarter at \$23.06 billion, up \$302.7 million or 5.3% annualized from the previous quarter and up \$1.57 billion or 7.3% as compared to the second quarter 2015.
  - Retail loans grew by \$261.0 million from the previous quarter, or 24.1% annualized.
  - Commercial and industrial loans grew by \$146.0 million from the previous quarter, or 5.4% annualized.
  - Commercial real estate loans declined \$105.9 million from the previous quarter, or 5.6% annualized.
- Total average deposits for the quarter were \$23.61 billion, and grew by \$397.8 million or 6.9% annualized from the previous quarter and \$1.14 billion or 5.1% as compared to the second quarter 2015.
  - Average core deposits for the quarter grew by \$156.0 million or 2.8% annualized from the previous quarter and \$1.36 billion or 6.5% as compared to the second quarter 2015.
  - Average core deposits, excluding state, county, and municipal deposits, grew by \$316.7 million or 6.5% annualized from the previous quarter and \$1.36 billion or 7.3% as compared to the second quarter 2015.

## Core Performance

- Total revenues<sup>1</sup> were \$289.3 million for the second quarter 2016, up \$8.1 million or 2.9% from the previous quarter and up 7.0% as compared to the second quarter 2015.
- Net interest income was \$221.4 million for the second quarter 2016, up \$3.3 million or 1.5% from the previous quarter and up 8.7% as compared to the second quarter 2015.
- Net interest margin was 3.27%, unchanged from the previous quarter. Yield on earning assets was 3.73% and the effective cost of funds was 0.46% for the second quarter 2016, both unchanged from the previous quarter.
- Total non-interest income was \$67.9 million, up \$4.7 million or 7.5% compared to the previous quarter and down 1.4% as compared to the second quarter 2015.
  - Adjusted non-interest income increased \$4.8 million or 7.6% compared to the previous quarter and 1.6% as compared to the second quarter 2015.
  - Core banking fees<sup>2</sup> were \$33.8 million, up \$488 thousand or 1.5% from the previous quarter, primarily driven by higher service charges on deposits, which were \$530 thousand.

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<sup>2</sup> Include service charges on deposit accounts, bankcard fees, letter of credit fees, ATM fee income, line of credit non-usage fees, gains from sales of government guaranteed loans, and miscellaneous other service charges.

- Financial Management Services revenues, consisting primarily of fiduciary and asset management fees and brokerage revenue, increased \$1.5 million, or 8.1% from the previous quarter.
- Mortgage banking income increased \$457 thousand, or 8.3% from the previous quarter.
- Other non-interest income increased \$2.2 million from the previous quarter, primarily driven by a \$900 thousand net gain from private equity investments as compared to a \$390 thousand net loss in the previous quarter.
- Total non-interest expense for the second quarter of 2016 was \$188.6 million, up \$377 thousand from the previous quarter and up \$10.8 million or 6.1% as compared to the second quarter of 2015.
- Adjusted non-interest expense for the second quarter 2016 was \$182.4 million, up \$3.1 million or 1.7% from the previous quarter and up \$9.4 million or 5.4% as compared to the second quarter 2015.
  - Employment expense of \$97.1 million decreased \$4.3 million or 4.2% from the previous quarter, reflecting seasonal decline in payroll taxes.
  - Advertising expense of \$7.4 million increased \$4.9 million from the previous quarter as a result of resuming brand awareness activities.
  - Foreclosed real estate expense of \$4.6 million increased \$1.9 million from the previous quarter.
- Adjusted efficiency ratio for the second quarter was 61.54% as compared to 61.92% the previous quarter and 61.62% in the second quarter of 2015.

## Credit Quality

Improvement in credit quality continued.

- Non-performing loans were \$154.1 million at June 30, 2016, down \$24.1 million or 13.5% from the previous quarter, and down \$19.6 million or 11.3% from June 30, 2015. The non-performing loan ratio was 0.67% at June 30, 2016, as compared to 0.78% at the end of the previous quarter and 0.81% at June 30, 2015.
- Total non-performing assets were \$187.4 million at June 30, 2016, down \$29.3 million or 13.5% from the previous quarter, and down \$52.7 million or 22.0% from June 30, 2015. The non-performing asset ratio was 0.81% at June 30, 2016, as compared to 0.95% at the end of the previous quarter and 1.11% at June 30, 2015.
- Net charge-offs were \$6.1 million in the second quarter 2016, down \$1.2 million or 16.6% from \$7.4 million in the previous quarter. The annualized net charge-off ratio was 0.11% in the second quarter as compared to 0.13% in the previous quarter.
- Total delinquencies (consisting of loans 30 or more days past due and still accruing) remain low at 0.24% of total loans at June 30, 2016 as compared to 0.28% the previous quarter and 0.24% at June 30, 2015.

## Capital Ratios

Capital ratios remained strong and include the impact of common stock repurchases completed through June 30, 2016 and phase-out of sub-debt maturing in the second quarter 2017.

- Common Equity Tier 1 ratio was 10.02% at June 30, 2016 compared to 10.04% at March 31, 2016.
- Tier 1 Capital ratio was 10.06% at June 30, 2016 compared to 10.04% at March 31, 2016.
- Total Risk Based Capital ratio was 12.05% at June 30, 2016 compared to 12.25% at March 31, 2016.
- Tier 1 Leverage ratio was 9.10% at June 30, 2016 compared to 9.15% at March 31, 2016.
- Tangible Common Equity ratio was 9.52% at June 30, 2016 compared to 9.62% at March 31, 2016.

## Second Quarter Earnings Conference Call

Synovus will host an earnings highlights conference call at 8:30 a.m. EDT on July 19, 2016. The earnings call will be accompanied by a slide presentation. Shareholders and other interested parties may listen to this conference call via simultaneous Internet broadcast. For a link to the webcast, go to [investor.synovus.com/events](http://investor.synovus.com/events). The replay will be archived for 12 months and will be available 30-45 minutes after the call.

## Synovus Financial Corp.

Synovus Financial Corp. is a financial services company based in Columbus, Georgia, with approximately \$29 billion in assets. Synovus provides commercial and retail banking, investment, and mortgage services to customers through 28 locally-branded divisions, 253 branches, and 335 ATMs in Georgia, Alabama, South Carolina, Florida, and Tennessee. Synovus Bank, a wholly owned subsidiary of Synovus, was recognized as one of America's Most Reputable Banks by *American Banker* and the Reputation Institute in 2016 and 2015. Synovus is on the web at [synovus.com](http://synovus.com), on Twitter [@synovus](https://twitter.com/synovus), and on LinkedIn at <http://linkedin.com/company/synovus>.

## Forward-Looking Statements

This press release and certain of our other filings with the Securities and Exchange Commission contain statements that constitute "forward-looking statements" within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are forward-looking statements. You can identify these forward-looking statements through Synovus' use of words such as "believes," "anticipates," "expects," "may," "will," "assumes," "should," "predicts," "could," "would," "intends," "targets," "estimates," "projects," "plans," "potential" and other similar words and expressions of the future or otherwise regarding the outlook for Synovus' future business and financial performance and/or the performance of the banking industry and economy in general. These forward-looking statements include, among others, our expectations regarding deposits, loan growth and the net interest margin, expectations on our growth strategy, expense initiatives, and future profitability, expectations on credit trends and key credit metrics, and the assumptions underlying our expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of

future performance and involve known and unknown risks and uncertainties which may cause the actual results, performance or achievements of Synovus to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based on the information known to, and current beliefs and expectations of, Synovus' management and are subject to significant risks and uncertainties. Actual results may differ materially from those contemplated by such forward-looking statements. A number of factors could cause actual results to differ materially from those contemplated by the forward-looking statements in this press release. Many of these factors are beyond Synovus' ability to control or predict.

These forward-looking statements are based upon information presently known to Synovus' management and are inherently subjective, uncertain and subject to change due to any number of risks and uncertainties, including, without limitation, the risks and other factors set forth in Synovus' filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2015 under the captions "Cautionary Notice Regarding Forward-Looking Statements" and "Risk Factors" and in Synovus' quarterly reports on Form 10-Q and current reports on Form 8-K. We believe these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations and speak only as of the date that they are made. We do not assume any obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as otherwise may be required by law.

#### **Use of Non-GAAP Financial Measures**

The measures entitled average core deposits; average core deposits excluding average state, county, and municipal deposits; tangible common equity ratio; common equity Tier 1 (CET1) ratio (fully phased-in); adjusted diluted earnings per share; adjusted non-interest income; adjusted non-interest expense; and adjusted efficiency ratio are not measures recognized under U.S. generally accepted accounting principles (GAAP) and therefore are considered non-GAAP financial measures. The most comparable GAAP measures are total average deposits; total shareholders' equity to total assets ratio; net income per diluted common share; total non-interest income; total non-interest expense, and efficiency ratio, respectively.

Synovus believes that these non-GAAP financial measures provide meaningful additional information about Synovus to assist management, investors, and bank regulators in evaluating Synovus' capital strength and the performance of its core business. Average core deposits and average core deposits excluding state, county, and municipal deposits are measures used by management to evaluate organic growth of deposits and the quality of deposits as a funding source. 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. Adjusted diluted earnings per share is a measure used by management to evaluate operating results exclusive of items that are not indicative of ongoing operations and impact period-to-period comparisons. Adjusted non-interest income is a measure used by management to evaluate non-interest income exclusive of net investment securities gains. 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. These non-GAAP financial measures should not be considered as substitutes for total average deposits; total shareholders' equity to total assets ratio; net income per diluted common share; total non-interest income; total non-interest expense; and efficiency ratio determined in accordance with GAAP and may not be comparable to other similarly titled measures at other companies.

The computations of average core deposits; average core deposits excluding average state, county, and municipal deposits; tangible common equity ratio; common equity Tier 1 (CET1) ratio (fully phased-in); adjusted diluted earnings per share; adjusted non-interest income; and adjusted non-interest expense; and the reconciliation of these measures to total average deposits; total shareholders' equity to total assets ratio; net income per diluted common share; total non-interest income; total non-interest expense; and efficiency ratio are set forth in the tables below.

<b>Reconciliation of Non-GAAP Financial Measures</b> <i>(dollars in thousands)</i>	2Q16	1Q16	2Q15
<b>Average core deposits</b>			
<b>Average core deposits excluding state, county, and municipal deposits</b>			
Total average deposits	\$ 23,608,027	23,210,263	22,466,102
Subtract: Average brokered deposits	<u>(1,337,001)</u>	<u>(1,095,239)</u>	<u>(1,555,931)</u>
Average core deposits	<u>22,271,026</u>	<u>22,115,024</u>	<u>20,910,171</u>
Subtract: Average state, county, and municipal deposits	<u>(2,280,038)</u>	<u>(2,440,749)</u>	<u>(2,277,783)</u>
Average core deposits excluding state, county, and municipal deposits	<u>\$ 19,990,988</u>	<u>19,674,275</u>	<u>18,632,388</u>
<b>Tangible common equity ratio</b>			
Total assets	\$ 29,459,691	29,171,257	28,205,870
Subtract: Goodwill	(24,431)	(24,431)	(24,431)
Subtract: Other intangible assets, net	<u>(228)</u>	<u>(277)</u>	<u>(863)</u>
Tangible assets	<u>\$ 29,435,032</u>	<u>29,146,549</u>	<u>28,180,576</u>
<b>Total shareholders' equity</b>			
Total shareholders' equity	\$ 2,951,659	2,953,268	3,006,157
Subtract: Goodwill	(24,431)	(24,431)	(24,431)
Subtract: Other intangible assets, net	(228)	(277)	(863)
Subtract: Series C Preferred Stock, no par value	<u>(125,980)</u>	<u>(125,980)</u>	<u>(125,980)</u>
Tangible common equity	<u>\$ 2,801,020</u>	<u>2,802,580</u>	<u>2,854,883</u>
Total shareholders' equity to total assets ratio	10.02%	10.12%	10.66
Tangible common equity ratio	9.52%	9.62%	10.13
<b>Common Equity Tier 1 (CET1) ratio (fully phased-in)</b>			
Common Equity Tier 1 (CET1)	\$ 2,615,939	2,609,191	2,615,827
Adjustment related to capital components	<u>(114,751)</u>	<u>(125,980)</u>	<u>(125,729)</u>
CET1 (fully phased-in)	<u>\$ 2,501,188</u>	<u>2,483,211</u>	<u>2,490,098</u>
Total risk-weighted assets (fully phased-in)	\$ 26,368,883	26,231,764	24,673,795
Common Equity Tier 1 (CET1) ratio (fully phased-in)	9.49%	9.47%	10.09%

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

	<u>2Q16</u>	<u>1Q16</u>	<u>2Q15</u>
<b>Adjusted Non-interest Income</b>			
Total non-interest income	\$ 67,886	63,147	68,832
Subtract: Investment securities gains, net	-	(67)	(1,985)
Adjusted non-interest income	<u>\$ 67,886</u>	<u>63,080</u>	<u>66,847</u>
<b>Adjusted Diluted Earnings per Share</b>			
Net income available to common shareholders	\$ 57,898	49,972	53,234
Add: Litigation contingency expense <sup>(1)</sup>	-	2,700	4,400
Add: Restructuring charges	5,841	1,140	5
Add: Loss on early extinguishment of debt	-	4,735	-
Tax effect of adjustments	(2,138)	(3,138)	(1,612)
Adjusted net income available to common shareholders	<u>\$ 61,601</u>	<u>55,409</u>	<u>56,027</u>
Weighted average common shares outstanding - diluted	125,699	127,857	133,625
Adjusted diluted earnings per share	<u>\$ 0.49</u>	<u>0.43</u>	<u>0.42</u>
<b>Adjusted Non-interest Expense</b>			
Total non-interest expense	\$ 188,611	188,233	177,806
Subtract: Restructuring charges	(5,841)	(1,140)	(5)
Subtract: Visa indemnification charges	(360)	(360)	(354)
Subtract: Loss on early extinguishment of debt	-	(4,735)	-
Subtract: Litigation contingency expense <sup>(1)</sup>	-	(2,700)	(4,400)
Adjusted non-interest expense	<u>\$ 182,410</u>	<u>179,298</u>	<u>173,047</u>
<b>Adjusted Efficiency Ratio</b>			
Adjusted non-interest expense	\$ 182,410	179,298	173,047
Subtract: Other credit costs <sup>(2)</sup>	(4,143)	(4,950)	(6,175)
Adjusted non-interest expense excluding other credit costs	<u>\$ 178,267</u>	<u>174,348</u>	<u>166,872</u>
Net interest income	221,449	218,193	203,644
Add: Tax equivalent adjustment	329	305	330
Add: Total non-interest income	67,886	63,147	68,832
Subtract: Investment securities gains, net	-	(67)	(1,985)
Total revenues	<u>\$ 289,664</u>	<u>281,578</u>	<u>270,821</u>
Adjusted efficiency ratio	<u>61.54%</u>	<u>61.92</u>	<u>61.62</u>

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<sup>(1)</sup> Amounts for other periods presented herein are not reported separately as amounts are not material.

<sup>(2)</sup> Other credit costs consist primarily of foreclosed real estate expense, net.

**INCOME STATEMENT DATA**  
**(Unaudited)**

Six Months Ended

(Dollars in thousands, except per share data)

	<b>June 30,</b>		
	<b>2016</b>	<b>2015</b>	<b>Change</b>
Interest income	\$ 501,716	465,055	7.9 %
Interest expense	62,073	58,148	6.8
Net interest income	439,643	406,907	8.0
Provision for loan losses	16,070	11,034	45.6
Net interest income after provision for loan losses	423,573	395,873	7.0
Non-interest income:			
Service charges on deposit accounts	39,950	38,928	2.6
Fiduciary and asset management fees	22,854	23,414	(2.4)
Brokerage revenue	13,821	14,032	(1.5)
Mortgage banking income	11,425	13,995	(18.4)
Bankcard fees	16,718	16,576	0.9
Investment securities gains, net	67	2,710	(97.5)
Other fee income	10,084	9,851	2.4
Other non-interest income	16,114	15,181	6.1
Total non-interest income	131,033	134,687	(2.7)
Non-interest expense:			
Salaries and other personnel expense	198,419	191,054	3.9
Net occupancy and equipment expense	53,360	52,713	1.2
Third-party processing expense	22,814	21,015	8.6
FDIC insurance and other regulatory fees	13,344	13,725	(2.8)
Professional fees	13,307	12,011	10.8
Advertising expense	9,761	6,309	54.7
Foreclosed real estate expense, net	7,272	13,847	(47.5)
Visa indemnification charges	720	729	(1.2)
Loss on early extinguishment of debt	4,735	-	nm
Litigation contingency expense	2,700	4,400	(38.6)
Restructuring charges, net	6,981	(102)	nm
Other operating expenses	43,431	41,012	5.9
Total non-interest expense	376,844	356,713	5.6
Income before income taxes	177,762	173,847	2.3
Income tax expense	64,773	64,091	1.1
Net income	112,989	109,756	2.9
Dividends on preferred stock	5,119	5,119	-
Net income available to common shareholders	\$ 107,870	104,637	3.1 %
Net income per common share, basic	\$ 0.85	0.78	8.8 %
Net income per common share, diluted	0.85	0.78	9.5
Cash dividends declared per common share	0.24	0.20	20.0
Return on average assets	0.78 %	0.80	(2) bps
Return on average common equity	7.66	7.27	39
Weighted average common shares outstanding, basic	126,164	133,935	(5.8) %
Weighted average common shares outstanding, diluted	126,778	134,678	(5.9)

nm - not meaningful

bps - basis points



**INCOME STATEMENT DATA****(Unaudited)**

(In thousands, except per share data)

		2016			2015		2nd Quarter
		Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	'16 vs. '15 Change
Interest income	\$	<b>252,393</b>	249,323	242,814	238,093	233,654	8.0 %
Interest expense		<b>30,944</b>	31,130	30,194	30,303	30,010	3.1
Net interest income		<b>221,449</b>	218,193	212,620	207,790	203,644	8.7
Provision for loan losses		<b>6,693</b>	9,377	5,021	2,956	6,636	0.9
Net interest income after provision for loan losses		<b>214,756</b>	208,816	207,599	204,834	197,008	9.0
Non-interest income:							
Service charges on deposit accounts		<b>20,240</b>	19,710	20,522	20,692	19,795	2.2
Fiduciary and asset management fees		<b>11,580</b>	11,274	11,206	11,308	11,843	(2.2)
Brokerage revenue		<b>7,338</b>	6,483	6,877	6,946	6,782	8.2
Mortgage banking income		<b>5,941</b>	5,484	4,136	5,965	7,511	(20.9)
Bankcard fees		<b>8,346</b>	8,372	8,262	8,334	8,499	(1.8)
Investment securities gains, net		-	67	58	-	1,985	nm
Other fee income		<b>5,280</b>	4,804	5,798	5,521	4,605	14.7
Other non-interest income		<b>9,161</b>	6,953	9,316	8,293	7,812	17.3
Total non-interest income		<b>67,886</b>	63,147	66,175	67,059	68,832	(1.4)
Non-interest expense:							
Salaries and other personnel expense		<b>97,061</b>	101,358	95,524	94,341	94,565	2.6
Net occupancy and equipment expense		<b>26,783</b>	26,577	27,816	26,937	26,541	0.9
Third-party processing expense		<b>11,698</b>	11,116	10,993	10,844	10,672	9.6
FDIC insurance and other regulatory fees		<b>6,625</b>	6,719	6,776	6,591	6,767	(2.1)
Professional fees		<b>6,938</b>	6,369	8,265	6,371	6,417	8.1
Advertising expense		<b>7,351</b>	2,410	3,680	5,488	2,865	156.6
Foreclosed real estate expense, net		<b>4,588</b>	2,684	4,454	4,503	4,351	5.4
Visa indemnification charges		<b>360</b>	360	371	363	354	1.7
Loss on early extinguishment of debt		-	4,735	1,533	-	-	nm
Litigation contingency/settlement expenses		-	2,700	710	-	4,400	nm
Restructuring charges, net		<b>5,841</b>	1,140	69	69	5	nm
Other operating expenses		<b>21,366</b>	22,065	22,842	22,400	20,869	2.4
Total non-interest expense		<b>188,611</b>	188,233	183,033	177,907	177,806	6.1
Income before income taxes		<b>94,031</b>	83,730	90,741	93,986	88,034	6.8
Income tax expense		<b>33,574</b>	31,199	32,343	36,058	32,242	4.1
Net income		<b>60,457</b>	52,531	58,398	57,928	55,792	8.4
Dividends on preferred stock		<b>2,559</b>	2,559	2,559	2,559	2,559	-
Net income available to common shareholders	\$	<b>57,898</b>	49,972	55,839	55,369	53,233	8.8 %
Net income per common share, basic	\$	<b>0.46</b>	0.39	0.43	0.42	0.40	15.6 %
Net income per common share, diluted		<b>0.46</b>	0.39	0.43	0.42	0.40	15.6
Cash dividends declared per common share		<b>0.12</b>	0.12	0.12	0.10	0.10	20.0
Return on average assets *	%	<b>0.83</b>	0.73	0.81	0.81	0.80	3 bps
Return on average common equity *		<b>8.26</b>	7.06	7.67	7.64	7.39	87
Weighted average common shares outstanding, basic		<b>125,100</b>	127,227	130,354	131,516	132,947	(5.9) %
Weighted average common shares outstanding, diluted		<b>125,699</b>	127,857	131,197	132,297	133,625	(5.9)

nm - not meaningful

bps - basis points

\* - ratios are annualized

# Synovus

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## BALANCE SHEET DATA (Unaudited)

(In thousands, except share data)

### ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
Cash and cash equivalents	\$ 377,334	367,092	360,832
Interest bearing funds with Federal Reserve Bank	904,406	829,887	1,289,205
Interest earning deposits with banks	24,541	17,387	18,694
Federal funds sold and securities purchased under resale agreements	77,685	69,819	72,487
Trading account assets, at fair value	1,001	5,097	11,973
Mortgage loans held for sale, at fair value	87,824	59,275	98,202
Investment securities available for sale, at fair value	3,580,359	3,587,818	3,354,673
Loans, net of deferred fees and costs	23,060,908	22,429,565	21,494,869
Allowance for loan losses	(255,076)	(252,496)	(254,702)
Loans, net	<u>22,805,832</u>	<u>22,177,069</u>	<u>21,240,167</u>
Premises and equipment, net	424,967	445,155	445,579
Goodwill	24,431	24,431	24,431
Other real estate	33,289	47,030	66,449
Deferred tax asset, net	425,160	511,948	571,402
Other assets	<u>692,862</u>	<u>650,645</u>	<u>650,984</u>
Total assets	<u>\$ 29,459,691</u>	<u>28,792,653</u>	<u>28,205,078</u>

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### Liabilities:

##### Deposits:

Non-interest bearing deposits	\$ 6,934,443	6,732,970	6,421,815
Interest bearing deposits, excluding brokered deposits	15,495,318	15,434,171	14,775,216
Brokered deposits	<u>1,496,161</u>	<u>1,075,520</u>	<u>1,452,150</u>
Total deposits	<u>23,925,922</u>	<u>23,242,661</u>	<u>22,649,181</u>
Federal funds purchased and securities sold under repurchase agreements	247,179	177,025	188,285
Long-term debt	2,135,892	2,186,893	2,138,427
Other liabilities	<u>199,039</u>	<u>185,878</u>	<u>223,028</u>
Total liabilities	<u>26,508,032</u>	<u>25,792,457</u>	<u>25,198,920</u>

#### Shareholders' equity:

Series C Preferred Stock - no par value, 5,200,000 shares outstanding at June 30, 2016, December 31, 2015, and June 30, 2015	125,980	125,980	125,980
Common stock - \$1.00 par value. 124,047,659 shares outstanding at June 30, 2016, 129,547,032 shares outstanding at December 31, 2015 and 132,257,577 shares outstanding at June 30, 2015	141,008	140,592	140,425
Additional paid-in capital	2,993,985	2,989,981	2,981,434
Treasury stock, at cost - 16,959,977 shares at June 30, 2016, 11,045,377 shares at December 31, 2015, and 8,167,677 shares at June 30, 2015	(573,058)	(401,511)	(311,859)
Accumulated other comprehensive gain (loss)	11,005	(29,819)	(22,323)
Retained earnings	<u>252,739</u>	<u>174,973</u>	<u>92,500</u>
Total shareholders' equity	<u>2,951,659</u>	<u>3,000,196</u>	<u>3,006,157</u>
Total liabilities and shareholders' equity	<u>\$ 29,459,691</u>	<u>28,792,653</u>	<u>28,205,078</u>

## AVERAGE BALANCES AND YIELDS/RATES (1)

(Unaudited)

(Dollars in thousands)

	2016			2015	
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
<b>Interest Earning Assets</b>					
Taxable investment securities <sup>(2)</sup>	\$ 3,529,030	3,537,131	3,481,184	3,380,543	3,165,513
Yield	1.89 %	1.91	1.85	1.76	1.79
Tax-exempt investment securities <sup>(2) (4)</sup>	\$ 3,491	4,091	4,352	4,509	4,595
Yield (taxable equivalent)	6.08 %	6.37	6.16	6.21	6.15
Trading account assets	\$ 3,803	5,216	8,067	7,278	12,564
Yield	1.27 %	1.65	2.24	1.84	3.72
Commercial loans <sup>(3) (4)</sup>	\$ 18,433,638	18,253,169	17,884,661	17,522,735	17,297,130
Yield	4.04 %	4.03	3.97	3.99	4.01
Consumer loans <sup>(3)</sup>	\$ 4,497,147	4,334,817	4,233,061	4,105,639	3,986,151
Yield	4.32 %	4.37	4.27	4.31	4.37
Allowance for loan losses	\$ (251,101)	(258,097)	(252,049)	(256,102)	(254,177)
Loans, net <sup>(3)</sup>	\$ 22,679,684	22,329,889	21,865,673	21,372,272	21,029,104
Yield	4.15 %	4.15	4.08	4.10	4.14
Mortgage loans held for sale	\$ 72,477	63,339	50,668	69,438	90,419
Yield	3.59 %	3.72	3.84	3.82	3.39
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	\$ 907,615	885,939	1,081,604	1,380,686	1,590,114
Yield	0.47 %	0.47	0.27	0.24	0.24
Federal Home Loan Bank and Federal Reserve Bank stock <sup>(5)</sup>	\$ 77,571	80,679	66,790	71,852	76,091
Yield	5.15 %	3.82	5.08	4.71	4.57
<b>Total interest earning assets</b>	<b>\$ 27,273,670</b>	<b>26,906,284</b>	<b>26,558,338</b>	<b>26,286,578</b>	<b>25,968,400</b>
Yield	3.73 %	3.73	3.63	3.60	3.61
<b>Interest Bearing Liabilities</b>					
Interest bearing demand deposits	\$ 4,233,310	4,198,738	4,117,116	3,955,803	3,919,401
Rate	0.18 %	0.17	0.17	0.18	0.18
Money market accounts	\$ 7,082,759	7,095,778	7,062,517	6,893,563	6,466,610
Rate	0.31 %	0.32	0.35	0.36	0.35
Savings deposits	\$ 746,225	722,172	692,536	685,813	675,260
Rate	0.06 %	0.07	0.06	0.06	0.06
Time deposits under \$100,000	\$ 1,262,280	1,279,811	1,307,601	1,338,994	1,351,299
Rate	0.64 %	0.65	0.65	0.66	0.68
Time deposits over \$100,000	\$ 2,016,116	2,006,302	2,033,193	2,086,851	2,061,434
Rate	0.89 %	0.89	0.88	0.88	0.88
Non maturing brokered deposits	\$ 451,398	315,006	297,925	221,817	185,909
Rate	0.39 %	0.48	0.31	0.31	0.31
Brokered time deposits	\$ 885,603	780,232	887,168	1,135,346	1,370,022
Rate	0.85 %	0.83	0.76	0.71	0.67
<b>Total interest bearing deposits</b>	<b>\$ 16,677,691</b>	<b>16,398,039</b>	<b>16,398,056</b>	<b>16,318,187</b>	<b>16,029,935</b>
Rate	0.39 %	0.39	0.40	0.42	0.42
Federal funds purchased and securities sold under repurchase agreements	\$ 221,276	177,921	158,810	207,894	232,531
Rate	0.09 %	0.10	0.08	0.09	0.08
Long-term debt	\$ 2,279,043	2,361,973	2,007,924	2,072,455	2,172,765
Rate	2.55 %	2.55	2.63	2.46	2.39
<b>Total interest bearing liabilities</b>	<b>\$ 19,178,010</b>	<b>18,937,933</b>	<b>18,564,790</b>	<b>18,598,536</b>	<b>18,435,231</b>
Rate	0.65 %	0.66	0.65	0.65	0.65
Non-interest bearing demand deposits	\$ 6,930,336	6,812,223	6,846,200	6,541,832	6,436,167
Effective cost of funds	0.46 %	0.46	0.45	0.46	0.46
<b>Net interest margin</b>	<b>3.27 %</b>	<b>3.27</b>	<b>3.18</b>	<b>3.14</b>	<b>3.15</b>
Taxable equivalent adjustment	\$ 329	305	311	315	330

(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

**LOANS OUTSTANDING AND NON-PERFORMING LOANS COMPOSITION**

(Unaudited)

(Dollars in thousands)

Loan Type	June 30, 2016			
	Total Loans	Loans as a % of Total Loans Outstanding	Total Non-performing Loans	Non-performing Loans as a % of Total Nonperforming Loans
Multi-Family	\$ 1,528,192	6.6 %	\$ 4,070	2.6 %
Hotels	746,397	3.2	5,052	3.3
Office Buildings	1,559,631	6.8	2,563	1.7
Shopping Centers	926,147	4.0	358	0.2
Warehouses	535,889	2.3	1,128	0.7
Other Investment Property	624,405	2.7	978	0.7
<b>Total Investment Properties</b>	<b>5,920,661</b>	<b>25.6</b>	<b>14,149</b>	<b>9.2</b>
1-4 Family Construction	208,871	0.9	304	0.2
1-4 Family Investment Mortgage	758,463	3.3	7,994	5.2
Residential Development	160,446	0.7	9,571	6.2
<b>Total 1-4 Family Properties</b>	<b>1,127,780</b>	<b>4.9</b>	<b>17,869</b>	<b>11.6</b>
<b>Land Acquisition</b>	<b>459,254</b>	<b>2.0</b>	<b>7,610</b>	<b>4.9</b>
<b>Total Commercial Real Estate</b>	<b>7,507,695</b>	<b>32.5</b>	<b>39,628</b>	<b>25.7</b>
Commercial, Financial, and Agricultural Owner-Occupied	6,596,835	28.5	55,821	36.2
	4,358,595	18.9	17,118	11.1
<b>Total Commercial &amp; Industrial</b>	<b>10,955,430</b>	<b>47.4</b>	<b>72,939</b>	<b>47.3</b>
Home Equity Lines	1,657,109	7.2	16,912	11.0
Consumer Mortgages	2,132,114	9.2	21,895	14.2
Credit Cards	236,034	1.1	-	-
Other Retail Loans	600,153	2.6	2,698	1.8
<b>Total Retail</b>	<b>4,625,410</b>	<b>20.1</b>	<b>41,505</b>	<b>27.0</b>
<b>Unearned Income</b>	<b>(27,627)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$ 23,060,908</b>	<b>100.0 %</b>	<b>\$ 154,072</b>	<b>100.0 %</b>

**LOANS OUTSTANDING BY TYPE COMPARISON**

(Unaudited)

(Dollars in thousands)

Loan Type	Total Loans		2Q16 vs. 1Q16 % change <sup>(1)</sup>	2Q16 vs. 2Q15	
	June 30, 2016	March 31, 2016		June 30, 2015	% change
Multi-Family	\$ 1,528,192	1,524,850	0.9 %	\$ 1,286,747	18.8 %
Hotels	746,397	718,640	15.5	663,286	12.5
Office Buildings	1,559,631	1,557,608	0.5	1,348,234	15.7
Shopping Centers	926,147	963,520	(15.6)	917,678	0.9
Warehouses	535,889	568,662	(23.2)	524,525	2.2
Other Investment Property	624,405	649,865	(15.8)	662,924	(5.8)
<b>Total Investment Properties</b>	<b>5,920,661</b>	<b>5,983,145</b>	<b>(4.2)</b>	<b>5,403,394</b>	<b>9.6</b>
1-4 Family Construction	208,871	211,312	(4.6)	163,866	27.5
1-4 Family Investment Mortgage	758,463	787,354	(14.8)	788,704	(3.8)
Residential Development	160,446	161,942	(3.7)	161,130	(0.4)
<b>Total 1-4 Family Properties</b>	<b>1,127,780</b>	<b>1,160,608</b>	<b>(11.4)</b>	<b>1,113,700</b>	<b>1.3</b>
<b>Land Acquisition</b>	<b>459,254</b>	<b>469,882</b>	<b>(9.1)</b>	<b>554,501</b>	<b>(17.2)</b>
<b>Total Commercial Real Estate</b>	<b>7,507,695</b>	<b>7,613,635</b>	<b>(5.6)</b>	<b>7,071,595</b>	<b>6.2</b>
Commercial, Financial, and Agricultural Owner-Occupied	6,596,835	6,537,253	3.7	6,243,259	5.7
	4,358,595	4,272,219	8.1	4,161,268	4.7
<b>Total Commercial &amp; Industrial</b>	<b>10,955,430</b>	<b>10,809,472</b>	<b>5.4</b>	<b>10,404,527</b>	<b>5.3</b>
Home Equity Lines	1,657,109	1,669,406	(3.0)	1,683,651	(1.6)
Consumer Mortgages	2,132,114	1,970,193	33.1	1,793,752	18.9
Credit Cards	236,034	232,554	6.0	246,724	(4.3)
Other Retail Loans	600,153	492,274	88.1	323,741	85.4
<b>Total Retail</b>	<b>4,625,410</b>	<b>4,364,427</b>	<b>24.1</b>	<b>4,047,868</b>	<b>14.3</b>
<b>Unearned Income</b>	<b>(27,627)</b>	<b>(29,331)</b>	<b>(23.4)</b>	<b>(29,121)</b>	<b>(5.1)</b>
<b>Total</b>	<b>\$ 23,060,908</b>	<b>22,758,203</b>	<b>5.3 %</b>	<b>\$ 21,494,869</b>	<b>7.3 %</b>

(1) Percentage change is annualized.

**CREDIT QUALITY DATA****(Unaudited)**

(Dollars in thousands)

	2016		2015			2nd Quarter
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	'16 vs. '15 Change
Non-performing Loans	\$ 154,072	178,167	168,370	157,640	173,638	(11.3) %
Other Real Estate	33,289	38,462	47,030	64,346	66,449	(49.9)
Non-performing Assets	187,361	216,629	215,400	221,986	240,087	(22.0)
Allowance for loan losses	255,076	254,516	252,496	250,900	254,702	0.1
Net Charge-Offs - Quarter	6,133	7,357	3,425	6,758	5,306	15.6
Net Charge-Offs / Average Loans - Quarter <sup>(1)</sup>	0.11 %	0.13	0.06	0.12	0.10	
Non-performing Loans / Loans	0.67	0.78	0.75	0.72	0.81	
Non-performing Assets / Loans, Other Loans Held for Sale & ORE	0.81	0.95	0.96	1.01	1.11	
Allowance / Loans	1.11	1.12	1.13	1.15	1.18	
Allowance / Non-performing Loans	165.56	142.85	149.96	159.16	146.69	
Allowance / Non-performing Loans <sup>(2)</sup>	195.25	173.64	189.47	205.90	202.08	
Past Due Loans over 90 days and Still Accruing	\$ 5,964	3,214	2,621	2,998	4,832	23.4
As a Percentage of Loans Outstanding	0.03 %	0.01	0.01	0.01	0.02	
Total Past Due Loans and Still Accruing	\$ 55,716	63,852	47,912	39,350	50,860	9.5
As a Percentage of Loans Outstanding	0.24 %	0.28	0.21	0.18	0.24	
Accruing Troubled Debt Restructurings (TDRs)	\$ 205,165	209,159	223,873	240,370	268,542	(23.6)

(1) Ratio is annualized.

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

**SELECTED CAPITAL INFORMATION <sup>(1)</sup>****(Unaudited)**

(Dollars in thousands)

	June 30, 2016	March 31, 2016	June 30, 2015
Tier 1 Capital	\$ 2,627,574	2,609,191	2,615,827
Total Risk-Based Capital	3,146,898	3,183,901	2,971,518
Common Equity Tier 1 Ratio (transitional)	10.02 %	10.04	10.73
Common Equity Tier 1 Ratio (fully phased-in)	9.49	9.47	10.09
Tier 1 Capital Ratio	10.06	10.04	10.73
Total Risk-Based Capital Ratio	12.05	12.25	12.18
Tier 1 Leverage Ratio	9.10	9.15	9.48
Common Equity as a Percentage of Total Assets <sup>(2)</sup>	9.59	9.69	10.21
Tangible Common Equity as a Percentage of Tangible Assets <sup>(3)</sup>	9.52	9.62	10.13
Tangible Common Equity as a Percentage of Risk Weighted Assets <sup>(3)</sup>	10.72	10.78	11.71
Book Value Per Common Share <sup>(4)</sup>	22.78	22.47	21.78
Tangible Book Value Per Common Share <sup>(3)</sup>	22.58	22.27	21.59

(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.