Goldberg Leonard R
Form 4
May 07, 2018

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Goldberg Leonard R

(Last) (First) (Middle)

505 SOUTH ORANGE AVE, UNIT 402

(Street)

SARASOTA, FL 34236

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
GREENLIGHT CAPITAL RE, LTD. [GLRE]

3. Date of Earliest Transaction (Month/Day/Year)
05/03/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
CLASS A ORDINARY SHARES	05/03/2018		A		9,120	A	$ 0 (1)	166,641	D	
CLASS A ORDINARY SHARES								22,870	I	See footnote (2)
CLASS A ORDINARY SHARES								12,000	I	See footnote (3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Goldberg Leonard R 505 SOUTH ORANGE AVE UNIT 402 SARASOTA, FL 34236	X			

Signatures

/s/ Tim Courtis as attorney-in-fact	05/04/2018
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The restricted stock award was granted pursuant to the Greenlight Capital Re, Ltd. Amended and Restated 2004 Stock Incentive Plan

(2) These shares are held for the account of a trust for which the Reporting Person retains beneficial ownership.

(3) These shares are held for the account of a trust for the behalf of the Reporting Person's immediate family members. The Reporting Person's spouse is trustee of the trust.

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Other retail loans
3

246

—

—

Total retail loans
17

1,221

3

564

Total TDRs
29

$
19,435

14

$
27,136

(1) Default is defined as the earlier of the troubled debt restructuring being placed on non-accrual status or reaching 90 days past due with respect to principal and/or interest payments.

If at the time that a loan was designated as a TDR, the loan was not already impaired, the measurement of impairment resulting from the TDR designation changes from a general pool-level reserve to a specific loan measurement of impairment in accordance with ASC 310-10-35. Generally, the change in the allowance for loan losses resulting from such TDR designation is not significant. At March 31, 2013, the allowance for loan losses allocated to accruing TDRs totaling $623.9 million, was $38.9 million compared to accruing TDRs of $673.4 million with an allocated allowance for loan losses of $41.4 million at December 31, 2012. Nonaccrual non-homogeneous loans (commercial-type impaired loans greater than $1 million) that are designated as TDRs are individually measured for the amount of impairment, if any, both before and after the TDR designation.

Note 6 - Other Real Estate

ORE consists of properties obtained through a foreclosure proceeding or through an in-substance foreclosure in satisfaction of loans. In accordance with provisions of ASC 310-10-35 regarding subsequent measurement of loans for impairment and ASC 310-40-15 regarding accounting for troubled debt restructurings by a creditor, a loan is classified as an in-substance foreclosure when Synovus has taken possession of the collateral regardless of whether formal foreclosure proceedings have taken place.

At foreclosure, ORE is recorded at the lower of cost or fair value less the estimated cost to sell, which establishes a new cost basis. Subsequent to foreclosure, ORE is evaluated quarterly and reported at fair value less estimated costs to sell, not to exceed the new cost basis, determined on the basis of current appraisals, comparable sales, and other estimates of fair value obtained principally from independent sources, adjusted for estimated selling costs. Management also considers other factors or recent developments such as changes in absorption rates or market conditions from the time of valuation and anticipated sales values considering management’s plans for disposition, which could result in an adjustment to lower the collateral value estimates indicated in the appraisals. At the time of foreclosure or initial possession of collateral, any excess of the loan balance over the fair value of the real estate held as collateral, less costs to sell, is recorded as a charge against the allowance for loan losses. Revenue and expenses from ORE operations as well as gains or losses on sales are recorded as foreclosed real estate expense, net, a component of non-interest expense on the consolidated statements of income. Subsequent declines in fair value are recorded on a property-by-property basis through use of a valuation allowance within other real estate on the consolidated balances sheets and valuation adjustment account in foreclosed real estate expense, net, a component of non-interest expense on the consolidated statements of income.

The carrying value of ORE was $155.2 million and $150.3 million at March 31, 2013 and December 31, 2012, respectively. During the three months ended March 31, 2013 and 2012, $31.2 million and $44.6 million, respectively, of loans and other loans held for sale were foreclosed and transferred to other real estate at fair value. During the three months ended March 31, 2013 and 2012, Synovus recognized foreclosed real estate expense, net, of $10.9 million and $23.0 million, respectively. These expenses

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included write-downs for declines in fair value of ORE subsequent to the date of foreclosure and net realized losses resulting from sales transactions totaling $8.8 million and $17.3 million for the three months ended March 31, 2013 and 2012, respectively.

Note 7 - Other Comprehensive Income (Loss)

The following table illustrates activity within the balances in accumulated other comprehensive income (loss) by component, and is shown for the three months ended March 31, 2013.

Changes in Accumulated Other Comprehensive Income (Loss) by Component (Net of Income Taxes)

(in thousands)	Net unrealized gains (losses) on cash flow hedges	Net unrealized gains (losses) on investment securities available for sale	Amortization of post-retirement unfunded health benefit	Total
Beginning balance as of December 31, 2012	$(13,373)	17,111	363	4,101
Other comprehensive income (loss) before reclassifications	—	(1,331)	—	(1,331)
Amounts reclassified from accumulated other comprehensive income (loss)	69	(29)	(23)	17
Net current period other comprehensive income (loss)	69	(1,360)	(23)	(1,314)
Ending balance as of March 31, 2013	$(13,304)	15,751	340	2,787

In accordance with ASC 740-20-45-11(b), a deferred tax asset valuation allowance associated with unrealized gains and losses not recognized in income is charged directly to other comprehensive income (loss). Thus, during the years 2010 and 2011, Synovus recorded a deferred tax asset valuation allowance associated with unrealized gains and losses not recognized in income directly to other comprehensive income (loss) by applying the portfolio approach for allocation of the valuation allowance. Synovus has consistently applied the portfolio approach which treats derivative instruments, equity securities, and debt securities as a single portfolio. As of March 31, 2013, the ending balance in net unrealized gains (losses) on cash flow hedges and net unrealized gains (losses) on investment securities available for sale includes unrealized losses of $12.1 million and $13.3 million, respectively, related to the residual tax effects remaining in OCI due to the previously established deferred tax asset valuation allowance. Under the portfolio approach, these unrealized losses are realized at the time the entire portfolio is sold or disposed.

The following table illustrates activity within the reclassifications out of accumulated other comprehensive income (loss), for the three months ended March 31, 2013.

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Reclassifications out of Accumulated Other Comprehensive Income (Loss) for the three months ended March 31, 2013

Details about accumulated other comprehensive income (loss) components	Amount reclassified from accumulated other comprehensive income (loss)		Affected line item in the statement where net income is presented
Net unrealized gains (losses) on cash flow hedges:			
Amortization of deferred gains (losses)	$(112	)	Interest expense
	43		Income tax (expense) benefit
	$(69	)	Reclassifications, net of income taxes
Net unrealized gains (losses) on investment securities available for sale:			
Realized gain on sale of securities	$45		Investment securities gains, net
	(16	)	Income tax (expense) benefit
	$29		Reclassifications, net of income taxes
Amortization of post-retirement unfunded health benefit			
Amortization of actuarial gains (losses)	$26		Salaries and other personnel expense
	(3	)	Income tax (expense) benefit
	$23		Reclassifications, net of income taxes

Note 8 - Fair Value Accounting

Synovus carries various assets and liabilities at fair value based on the fair value accounting guidance under ASC 820 and ASC 825. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an “exit price”) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Synovus has implemented controls and processes for the determination of the fair value of financial instruments. The ultimate responsibility for the determination of fair value rests with Synovus. Synovus has established a process that has been designed to ensure there is an independent review and validation of fair values by a function independent of those entering into the transaction. This includes specific controls to ensure consistent pricing policies and procedures that incorporate verification for both market and derivative transactions. For all financial instruments where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is utilized. Where the market for a financial instrument is not active, fair value is determined using a valuation technique or pricing model. These valuation techniques and models involve a degree of estimation, the extent of which depends on each instrument's complexity and the availability of market-based data. The most frequently applied pricing model and valuation technique utilized by Synovus is the discounted cash flow model. Discounted cash flows determine the value by estimating the expected future cash flows from assets or liabilities discounted to their present value. Synovus may also use a relative value model to determine the fair value of a financial instrument based on the market prices of similar assets or liabilities or an option pricing model such as binomial pricing that includes probability-based techniques. Assumptions and inputs used in valuation techniques and models include benchmark interest rates, credit spreads and other inputs used in estimating discount rates, bond and equity prices, price volatilities and correlations, prepayment rates, probability of default, and loss severity upon default.

Synovus refines and modifies its valuation techniques as markets develop and as pricing for individual financial instruments become more or less readily available. While Synovus believes its valuation techniques are appropriate and consistent with other market participants, the use of different methodologies or assumptions could result in different estimates of fair value at the balance sheet date. In order to determine the fair value, where appropriate, management applies valuation adjustments to the pricing information. These adjustments reflect management's assessment of factors that market participants would consider in setting a price, to the extent that these factors have not already been included in the pricing information. Furthermore, on an ongoing basis, management assesses the appropriateness of any model used. To the extent that the price provided by internal models does not represent the fair value of the financial instrument, management makes adjustments to the model valuation to calibrate it to other available pricing sources. Where unobservable inputs are used, management may determine a range of

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possible valuations based upon differing stress scenarios to determine the sensitivity associated with the valuation. As a final step, management considers the need for further adjustments to the modeled price to reflect how market participants would price the financial instrument.

Fair Value Hierarchy

Synovus determines the fair value of its financial instruments based on the fair value hierarchy established under ASC 820-10, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the financial instrument's fair value measurement in its entirety. There are three levels of inputs that may be used to measure fair value. The three levels of inputs of the valuation hierarchy are defined below:

Level 1	Quoted prices (unadjusted) in active markets for identical assets and liabilities for the instrument or security to be valued. Level 1 assets include marketable equity securities as well as U.S. Treasury securities that are highly liquid and are actively traded in over-the-counter markets.
Level 2	Observable inputs other than Level 1 quoted prices, such as quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active or model-based valuation techniques for which all significant assumptions are derived principally from or corroborated by observable market data. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined by using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. U.S. Government sponsored agency securities, mortgage-backed securities issued by U.S. Government sponsored enterprises and agencies, obligations of states and municipalities, collateralized mortgage obligations issued by U.S. Government sponsored enterprises, and mortgage loans held-for-sale are generally included in this category. Certain private equity investments that invest in publicly traded companies are also considered Level 2 assets.
Level 3	Unobservable inputs that are supported by little, if any, market activity for the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow models and similar techniques, and may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability. These methods of valuation may result in a significant portion of the fair value being derived from unobservable assumptions that reflect Synovus' own estimates for assumptions that market participants would use in pricing the asset or liability. This category primarily includes collateral-dependent impaired loans, other real estate, certain equity investments, and certain private equity investments.

Fair Value Option

Synovus has elected the fair value option for mortgage loans held for sale primarily to ease the operational burdens required to maintain hedge accounting for these loans. Synovus is still able to achieve effective economic hedges on mortgage loans held for sale without the operational time and expense needed to manage a hedge accounting program.

Valuation Methodology by Product

Following is a description of the valuation methodologies used for the major categories of financial assets and liabilities measured at fair value.

Trading Account Assets and Investment Securities Available-for-Sale

The fair values of trading securities and investment securities available for sale are primarily based on actively traded markets where prices are based on either quoted market prices or observed transactions. Management employs independent third-party pricing services to provide fair value estimates for Synovus' investment securities available for sale and trading securities. Fair values for fixed income investment securities are typically determined based upon quoted market prices, broker/dealer quotations for identical or similar securities, and/or inputs that are observable in the market, either directly or indirectly, for substantially similar securities. Level 1 securities are typically exchange quoted prices and include financial instruments such as U.S. Treasury securities and equity securities. Level 2 securities are typically matrix priced by the third-party pricing service to calculate the fair value. Such fair value measurements consider observable data such as relevant broker/dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayments speeds, credit information, and the respective terms and conditions for debt instruments. The types of securities classified as Level 2 within the valuation hierarchy primarily consist of collateralized mortgage obligations, mortgage-backed securities, debt securities of U.S. Government-sponsored enterprises and agencies, corporate debt, and state and municipal securities.

When there is limited activity or less transparency around inputs to valuation, Synovus develops valuations based on assumptions that are not readily observable in the marketplace; these securities are classified as Level 3 within the valuation hierarchy. The majority of the balance of Level 3 investment securities available for sale consists of trust preferred securities issued by financial institutions. Synovus also carries non-marketable common equity securities within this category. Synovus

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accounts for the non-marketable common equity securities in accordance with ASC 325-20, which requires these investments to be carried at cost. To determine the fair value of the trust preferred securities, management uses a measurement technique to reflect one that utilizes credit spreads and/or credit indices available from a third-party pricing service. In addition, for each trust preferred security, management projects non-credit adjusted cash flows, and discounts those cash flows to net present value incorporating a relevant credit spread in the discount rate. Other inputs to calculating fair value include potential discounts for lack of marketability.

Management uses various validation procedures to confirm the prices received from pricing services and quotations received from dealers are reasonable. Such validation procedures include reference to relevant broker/dealer quotes or other market quotes and a review of valuations and trade activity of comparable securities. Consideration is given to the nature of the quotes (e.g., indicative or firm) and the relationship of recently evidenced market activity to the prices provided by the third-party pricing service. Further, management also employs the services of an additional independent pricing firm as a means to verify and confirm the fair values of the primary independent pricing firms.

Mortgage Loans Held for Sale

Synovus elected to apply the fair value option for mortgage loans originated with the intent to sell to investors. When quoted market prices are not available, fair value is derived from a hypothetical bulk sale model used to estimate the exit price of the loans in a loan sale. The bid pricing convention is used for loan pricing for similar assets. The valuation model is based upon forward settlements of a pool of loans of identical coupon, maturity, product, and credit attributes. The inputs to the model are continuously updated with available market and historical data. As the loans are sold in the secondary market and predominantly used as collateral for securitizations, the valuation model represents the highest and best use of the loans in Synovus' principal market. Mortgage loans held for sale are classified within Level 2 of the valuation hierarchy.

Private Equity Investments

Private equity investments consist primarily of equity method investments in venture capital funds, which are primarily classified as Level 3 within the valuation hierarchy. The valuation of these investments requires significant management judgment due to the absence of quoted market prices, inherent lack of liquidity, and the long-term nature of such assets. Based on these factors, the ultimate realizable value of these investments could differ significantly from the value reflected in the accompanying unaudited interim consolidated financial statements. For ownership in publicly traded companies held in the funds, valuation is based on the closing market price at the balance sheet date, and the valuation of marketable securities that have market restrictions is discounted until the securities can be freely traded. The private equity investments in which Synovus holds a limited partner interest consist of funds that invest in privately held companies. For privately held companies in the funds, the general partner estimates the fair value of the company in accordance with GAAP as clarified by ASC 820 and guidance specific to investment companies. The estimated fair value of the company is the estimated fair value as an exit price the fund would receive if it were to sell the company in the marketplace. The fair value of the fund's underlying investments is estimated through the use of valuation models such as option pricing or a discounted cash flow model. Valuation factors, such as a company's operational performance against budget or milestones, last price paid by investors, with consideration given on whether financing is provided by insiders or unrelated new investors, public market comparables, liquidity of the market, industry and economic trends, and change of management or key personnel, are used in the determination of fair value.

Also, Synovus holds an interest in an investment fund that invests in publicly traded financial services companies. Although the fund holds investments in publicly traded entities, the fair value of this investment is classified as Level 2 in the valuation hierarchy because there is no actively traded market for the fund itself, and the value of the investment is based on the aggregate fair value of the publicly traded companies that are held in the fund for investment.

Investments Held in Rabbi Trusts

The investments held in Rabbi Trusts primarily include mutual funds that invest in equity and fixed income securities. Shares of mutual funds are valued based on quoted market prices, and are therefore classified within Level 1 of the fair value hierarchy.

Salary Stock Units

Salary stock units represent fully vested stock awards that have been granted to certain key employees of Synovus as a part of base salary. The salary stock units are classified as liabilities and are settled in cash, as determined by the closing Common Stock price on the date of settlement and the number of salary stock units being settled. Accordingly, salary stock units are classified as Level 1 within the fair value hierarchy.

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Derivative Assets and Liabilities

As part of its overall interest rate risk management activities, Synovus utilizes derivative instruments to manage its exposure to various types of interest rate risk. With the exception of one derivative contract discussed herein, Synovus' derivative financial instruments are all Level 2 financial instruments. The majority of derivatives entered into by Synovus are executed over-the-counter and consist of interest rate swaps. The fair values of these derivative instruments are determined based on an internally developed model that uses readily observable market data, as quoted market prices are not available for these instruments. The valuation models and inputs depend on the type of derivative and the nature of the underlying instrument, and include interest rates, prices and indices to generate continuous yield or pricing curves, volatility factors, and customer credit related adjustments. The principal techniques used to model the value of these instruments are an income approach, discounted cash flows, Black-Scholes or binomial pricing models. The sale of TBA mortgage-backed securities for current month delivery or in the future and the purchase of option contracts of similar duration are derivatives utilized by Synovus’ mortgage banking subsidiary, and are valued by obtaining prices directly from dealers in the form of quotes for identical securities or options using a bid pricing convention with a spread between bid and offer quotations. Interest rate swaps, floors, caps and collars, and TBA mortgage-backed securities are classified as Level 2 within the valuation hierarchy.

Synovus' mortgage banking subsidiary enters into interest rate lock commitments related to expected funding of residential mortgage loans at specified times in the future. Interest rate lock commitments that relate to the origination of mortgage loans that will be held-for-sale are considered derivative instruments under applicable accounting guidance. As such, Synovus records its interest rate lock commitments and forward loan sales commitments at fair value, determined as the amount that would be required to settle each of these derivative financial instruments at the balance sheet date. In the normal course of business, the mortgage subsidiary enters into contractual interest rate lock commitments to extend credit, if approved, at a fixed interest rate and with fixed expiration dates. The commitments become effective when the borrowers "lock-in" a specified interest rate within the time frames established by the mortgage banking subsidiary. Market risk arises if interest rates move adversely between the time of the interest rate lock by the borrower and the sale date of the loan to an investor. To mitigate the effect of the interest rate risk inherent in providing interest rate lock commitments to borrowers, the mortgage banking subsidiary enters into best efforts forward sales contracts with third party investors. The forward sales contracts lock in a price for the sale of loans similar to the specific interest rate lock commitments. Both the interest rate lock commitments to the borrowers and the forward sales contracts to the investors that extend through to the date the loan may close are derivatives, and accordingly, are marked to fair value through earnings. In estimating the fair value of an interest rate lock commitment, Synovus assigns a probability to the interest rate lock commitment based on an expectation that it will be exercised and the loan will be funded. The fair value of the interest rate lock commitment is derived from the fair value of related mortgage loans, which is based on observable market data and includes the expected net future cash flows related to servicing of the loans. The fair value of the interest rate lock commitment is also derived from inputs that include guarantee fees negotiated with the agencies and private investors, buy-up and buy-down values provided by the agencies and private investors, and interest rate spreads for the difference between retail and wholesale mortgage rates. Management also applies fall-out ratio assumptions for those interest rate lock commitments for which we do not close a mortgage loan. The fall-out ratio assumptions are based on the mortgage subsidiary's historical experience, conversion ratios for similar loan commitments, and market conditions. While fall-out tendencies are not exact predictions of which loans will or will not close, historical performance review of loan-level data provides the basis for determining the appropriate hedge ratios. In addition, on a periodic basis, the mortgage banking subsidiary performs analysis of actual rate lock fall-out experience to determine the sensitivity of the mortgage pipeline to interest rate changes from the date of the commitment through loan origination, and then period end, using applicable published mortgage-backed investment security prices. The expected fall-out ratios (or conversely the "pull-through" percentages) are applied to the determined fair value of the unclosed mortgage pipeline in accordance with GAAP. Changes to the fair value of interest rate lock commitments are recognized based on interest rate changes, changes in the probability that the commitment will be exercised, and the passage of time. The fair value of the forward sales contracts to investors considers the market price movement of the same type of security between the trade date and the balance sheet date. These instruments are defined as Level 2 within the valuation hierarchy.

In November 2009, Synovus sold certain Visa Class B shares to another Visa USA member financial institution. The sales price was based on the Visa stock conversion ratio in effect at the time for conversion of Visa Class B shares to Visa Class A unrestricted shares at a future date. In conjunction with the sale, Synovus entered into a derivative contract with the purchaser (the Visa derivative), which provides for settlements between the parties based upon a change in the ratio for conversion of Visa Class B shares to Visa Class A shares. The fair value of the Visa derivative is measured using an internal model that includes the use of probability weighted scenarios for estimates of Visa's aggregate exposure to Covered Litigation matters, with consideration of amounts funded by Visa into its escrow account for the Covered Litigation matters. The internal model also includes estimated future fees payable to the derivative counterparty. Since this estimation process requires application of judgment in developing significant unobservable inputs used to determine the possible outcomes and the probability weighting assigned to each scenario, this derivative has been classified as Level 3 within the valuation hierarchy.

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Assets and Liabilities Measured at Fair Value on a Recurring Basis
The following table presents all financial instruments measured at fair value on a recurring basis as of March 31, 2013 and December 31, 2012, according to the valuation hierarchy included in ASC 820-10. For equity and debt securities, class was determined based on the nature and risks of the investments.

	March 31, 2013			
(in thousands)	Level 1	Level 2	Level 3	Total Assets and Liabilities at Fair Value
Assets				
Trading securities:				
Mortgage-backed securities issued by U.S. Government agencies	$—	188	—	188
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	—	1,921	—	1,921
State and municipal securities	—	120	—	120
All other residential mortgage-backed securities	—	884	—	884
Other investments	—	5,927	—	5,927
Total trading securities	$—	9,040	—	9,040
Mortgage loans held for sale	—	144,232	—	144,232
Investment securities available for sale:				
U.S. Treasury securities	357	—	—	357
U.S. Government agency securities	—	37,149	—	37,149
Securities issued by U.S. Government sponsored enterprises	—	265,821	—	265,821
Mortgage-backed securities issued by U.S. Government agencies	—	227,693	—	227,693
Mortgage-backed securities issued by U.S. Government sponsored enterprises	—	2,232,908	—	2,232,908
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	—	265,536	—	265,536
State and municipal securities	—	13,015	—	13,015
Equity securities	3,562	—	892	4,454
Other investments(1)	—	—	2,420	2,420
Total investment securities available for sale	$3,919	3,042,122	3,312	3,049,353
Private equity investments	—	1,291	30,451	31,742
Mutual funds held in Rabbi Trusts	10,533	—	—	10,533
Derivative assets:				
Interest rate contracts	—	54,761	—	54,761
Mortgage derivatives(2)	—	2,844	—	2,844
Total derivative assets	$—	57,605	—	57,605
Liabilities				
Salary stock units	355	—	—	355
Derivative liabilities:				
Interest rate contracts	—	55,683	—	55,683
Mortgage derivatives(2)	—	665	—	665
Visa derivative	—	—	2,610	2,610
Total derivative liabilities	$—	56,348	2,610	58,958

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(in thousands)	December 31, 2012 Level 1	Level 2	Level 3	Total Assets and Liabilities at Fair Value
Assets				
Trading securities:				
Mortgage-backed securities issued by U.S. Government agencies	$—	2,171	—	2,171
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	—	4,875	—	4,875
State and municipal securities	—	451	—	451
All other residential mortgage-backed securities	—	1,159	—	1,159
Other investments	—	2,446	—	2,446
Total trading securities	$—	11,102	—	11,102
Mortgage loans held for sale	—	212,663	—	212,663
Investment securities available for sale:				
U.S. Treasury securities	356	—	—	356
U.S. Government agency securities	—	38,046	—	38,046
Securities issued by U.S. Government sponsored enterprises	—	293,310	—	293,310
Mortgage-backed securities issued by U.S. Government agencies	—	245,593	—	245,593
Mortgage-backed securities issued by U.S. Government sponsored enterprises	—	1,867,493	—	1,867,493
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	—	514,489	—	514,489
State and municipal securities	—	15,798	—	15,798
Equity securities	2,849	—	891	3,740
Other investments[1]	—	—	2,287	2,287
Total investment securities available for sale	$3,205	2,974,729	3,178	2,981,112
Private equity investments	—	1,168	30,708	31,876
Mutual funds held in Rabbi Trusts	10,001	—	—	10,001
Derivative assets:				
Interest rate contracts	—	61,869	—	61,869
Mortgage derivatives[2]	—	2,793	—	2,793
Total derivative assets	$—	64,662	—	64,662
Liabilities				
Trading securities	—	91	—	91
Salary stock units	1,888	—	—	1,888
Derivative liabilities:				
Interest rate contracts	—	62,912	—	62,912
Mortgage derivatives[2]	—	525	—	525
Visa derivative	—	—	2,956	2,956
Total derivative liabilities	$—	63,437	2,956	66,393

[1] Based on an analysis of the nature and risks of these investments, Synovus has determined that presenting these investments as a single asset class is appropriate.
[2] Mortgage derivatives consist of customer interest rate lock commitments that relate to the potential origination of mortgage loans, which would be classified as held for sale and forward loan sales commitments with third party

investors.

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Fair Value Option

The following table summarizes the difference between the fair value and the unpaid principal balance for mortgage loans held for sale measured at fair value and the changes in fair value of these loans. The table does not reflect the change in fair value attributable to the related economic hedge Synovus uses to mitigate interest rate risk associated with the financial instruments. Changes in fair value were recorded as a component of mortgage banking income and other non-interest income in the consolidated statements of income, as appropriate. An immaterial portion of these amounts was attributable to changes in instrument-specific credit risk.

Net Gains (Losses) from Fair Value Changes	For the Three Months Ended March 31,	
(in thousands)	2013	2012
Mortgage loans held for sale	$(2,759)	(2,708)

Mortgage Loans Held for Sale	As Of	
(in thousands)	March 31, 2013	December 31, 2012
Fair value	$144,232	212,663
Unpaid principal balance	140,985	206,657
Fair value less aggregate unpaid principal balance	$3,247	6,006

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Changes in Level 3 Fair Value Measurements

As noted above, Synovus uses significant unobservable inputs (Level 3) in determining the fair value of assets and liabilities classified as Level 3 in the fair value hierarchy. The table below includes a roll-forward of the amounts on the consolidated balance sheet for the three months ended March 31, 2013 and 2012 (including the change in fair value), for financial instruments of a material nature that are classified by Synovus within Level 3 of the fair value hierarchy and are measured at fair value on a recurring basis. Transfers between fair value levels are recognized at the end of the reporting period in which the associated changes in inputs occur. During the first quarter of 2013, Synovus did not have any material transfers between levels in the fair value hierarchy. During the first quarter of 2012, Synovus transferred the mortgage derivative asset, which consisted of interest rate lock commitments totaling $1.9 million, from Level 3 to Level 2 within the fair value hierarchy, reflecting increased transparency of the inputs used to value these financial instruments, which are based on the mortgage banking subsidiary's historical experience, conversion ratios for similar loan commitments, market conditions and other observable inputs, instead of previously used external industry data. Additionally, during the first quarter of 2012, Synovus transferred assets totaling $501 thousand that were classified as a Level 3 equity security to other assets to more accurately reflect the financial characteristics of the financial instruments.

	Three Months Ended March 31,					
	2013			2012		
(in thousands)	Investment Securities Available for Sale	Private Equity Investments	Other Derivative Contracts, Net[3]	Investment Securities Available for Sale	Private Equity Investments	Other Derivative Contracts, Net[3]
Beginning balance, January 1,	$3,178	30,708	(2,956)	6,842	21,418	(7,242)
Total gains (losses) realized/unrealized:						
Included in earnings[1]	—	(257)	(37)	(450)	93	(2,979)
Unrealized gains (losses) included in other comprehensive income	134	—	—	(806)	—	—
Changes from consolidated to equity method investment	—	—	—	—	—	—
Purchases	—	—	—	—	1,057 [2]	—
Sales	—	—	—	—	—	—
Issuances	—	—	—	—	—	—
Settlements	—	—	383	—	—	10,353
Amortization of discount/premium	—	—	—	—	—	—
Transfers in and/or out of Level 3	—	—	—	(501)	—	(1,851)
Ending balance, March 31,	$3,312	30,451	(2,610)	5,085	22,568	(1,719)
The amount of total net gains (losses) for the three months included in earnings attributable to the change in unrealized gains (losses) relating to assets and liabilities still held at March 31,	$—	(257)	(37)	(450)	93	(2,979)

(1) Included in earnings as a component of other non-interest income (expense).

(2) Represents additional capital contributed to a private equity investment fund for capital calls. There are no such calls outstanding as of March 31, 2013.

(3) Other derivative contracts include the Visa Derivative for both periods presented and the mortgage derivatives in the beginning balance for the three months ended March 31, 2012.

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Assets Measured at Fair Value on a Non-recurring Basis

From time to time, certain assets may be recorded at fair value on a non-recurring basis. These non-recurring fair value adjustments typically are a result of the application of lower of cost or fair value accounting or a write-down occurring during the period. For example, if the fair value of an asset in these categories falls below its cost basis, it is considered to be at fair value at the end of the period of the adjustment. The following table presents assets measured at fair value on a non-recurring basis as of the dates indicated for which there was a fair value adjustment during the period, according to the valuation hierarchy included in ASC 820-10.

	March 31, 2013				December 31, 2012			
(in thousands)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Impaired loans[1]	$—	—	256,429	256,429	—	—	80,299	80,299
Other loans held for sale	—	—	4,935	4,935	—	—	7,420	7,420
Other real estate	—	—	25,327	25,327	—	—	79,293	79,293
Other assets held for sale	$—	—	409	409	—	—	5,804	5,804

[1] Represents impaired loans that are collateral-dependent.

The following table presents fair value adjustments recognized for the three months ended March 31, 2013 and 2012 for the assets measured at fair value on a non-recurring basis.

	Three Months Ended March 31,	
(in thousands)	2013	2012
Impaired loans[1]	$23,594	32,807
Other loans held for sale	4,250	102
Other real estate	5,792	15,474
Other assets held for sale	$170	914

[1] Represents impaired loans that are collateral-dependent.

Collateral dependent impaired loans are evaluated for impairment in accordance with the provisions of ASC 310-10-35 using the fair value of the collateral less costs to sell. For loans measured using the estimated fair value of collateral securing these loans less costs to sell, fair value is generally determined based upon appraisals performed by a certified or licensed appraiser using inputs such as absorption rates, capitalization rates, and market comparables, adjusted for estimated selling costs. Management also considers other factors or recent developments, such as changes in absorption rates or market conditions from the time of valuation, and anticipated sales values considering management's plans for disposition, which could result in adjustments to the collateral value estimates indicated in the appraisals. Estimated costs to sell are based on actual amounts for similar assets. These measurements are classified as Level 3 within the valuation hierarchy. Collateral dependent impaired loans are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly based on the same factors identified above.

Loans are transferred to other loans held for sale at fair value when Synovus makes the determination to sell specifically identified loans. The fair value of the loans is primarily determined by analyzing the underlying collateral of the loan and the anticipated market prices of similar assets less estimated costs to sell, as well as consideration of the market for loan sales versus the sale of collateral. At the time of transfer, if the fair value is less than the carrying amount, the difference is recorded as a charge-off against the allowance for loan losses. Decreases in the fair value subsequent to the transfer, as well as gains/losses realized from sale of these loans, are recognized as gains/losses on other loans held for sale, net, as a component of non-interest expense on the consolidated statements of income.

ORE consists of properties obtained through a foreclosure proceeding or through an in-substance foreclosure in satisfaction of loans. The fair value of ORE is determined on the basis of current appraisals, comparable sales, and other estimates of fair value obtained principally from independent sources, adjusted for estimated selling costs. At foreclosure, ORE is recorded at the lower of cost or fair value less the estimated cost to sell, which establishes a new cost basis. Subsequent to foreclosure, ORE is evaluated quarterly and reported at fair value less estimated costs to sell, not to exceed the new cost basis, determined on the basis of current appraisals, comparable sales, and other estimates of fair value obtained principally from independent sources, adjusted for estimated selling costs. Subsequent to foreclosure, valuations are updated quarterly and assets are marked to the lower of fair value less estimated selling costs and current fair value, but not to exceed the cost. In the determination of fair value subsequent to foreclosure, management also considers other factors or recent developments, such as changes in absorption rates or market conditions from the time of valuation, and anticipated sales values considering management's plans for disposition,

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which could result in an adjustment to lower the fair value estimates indicated in the appraisals. Internally adjusted valuations are considered Level 3 measurements as management uses assumptions that may not be observable in the market.

Other assets held for sale consist of certain premises and equipment held for sale, including those related to the efficiency initiatives discussed in "Note 3 - Restructuring Charges" of this Report, herein. These assets are classified as held for sale and recorded at the lower of their amortized cost or fair value, less costs to sell, consistent with ASC 360-10. The fair value of these assets is determined primarily on the basis of appraisals or BOV, as circumstances warrant, adjusted for estimated selling costs. Both techniques engage licensed or certified professionals that use inputs such as absorption rates, capitalization rates, and market comparables; these valuations are considered Level 3 measurements since assumptions or inputs may not be observable in the market.

Quantitative Information about Level 3 Fair Value Measurements

The tables below provide an overview of the valuation techniques and significant unobservable inputs used in those techniques to measure financial instruments that are classified within Level 3 of the valuation hierarchy. The range of sensitivities that management utilized in its fair value calculations is deemed acceptable in the industry with respect to the identified financial instruments. The tables below present both the total balance as of the dates indicated for assets measured at fair value on a recurring basis and the assets measured at fair value on a non-recurring basis for which there was a fair value adjustment during the period, according to the valuation hierarchy included in ASC 820-10.

March 31, 2013

(dollars in thousands)	Level 3 Fair Value	Valuation Technique	Significant Unobservable Input	Range (Weighted Average)[1]
Assets measured at fair value on a recurring basis				
Investment Securities Available for Sale				
Equity securities	$892	Individual analysis of each investment	Multiple data points, including, but not limited to evaluation of past and projected business performance [2]	N/A[4]
Other investments:				
Trust preferred securities	2,420	Discounted cash flow	Credit spread embedded in discount rate	500-550 bps (524 bps)
			Discount for lack of marketability[2]	0%-10% (0%)
Private equity investments	30,451	Individual analysis of each investee company	Multiple factors, including but not limited to, current operations, financial conditions, cash flows, evaluation of business management and financial plans, and recently executed financing transactions related to the investee companies [2]	N/A
Visa derivative liability	$2,610	Probability model	Probability-weighted potential outcomes of the Covered Litigation, and fees payable to the counterparty, through the estimated term of the contract	$400 thousand to $2.6 million ($2.6 million)

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March 31, 2013 (dollars in thousands)	Level 3 Fair Value	Valuation Technique	Significant Unobservable Input	Range (Weighted Average)[1]
Assets measured at fair value on a non-recurring basis				
Collateral dependent impaired loans	$256,429	Third party appraised value of collateral less estimated selling costs	Discount to appraised value [3] Estimated selling costs	0%-9% (6%) 0%-10% (7%)
Other loans held for sale	4,935	Third party appraised value of collateral less estimated selling costs	Appraised value [3] Estimated selling costs	0%-8% (4%) 0%-10% (7%)
Other real estate	25,327	Third party appraised value of collateral less estimated selling costs	Discount to appraised value [3] Estimated selling costs	0%-26% (13%) 0%-10% (7%)
Other assets held for sale	$409	Third party appraised value of collateral less estimated selling costs or BOV	Discount to appraised value [3] Estimated selling costs	0% - 29% (3%) 0%-10% (7%)

(1) The range represents management's best estimate of the high and low of the value that would be assigned to a particular input. The weighted average is the measure of central tendencies; it is the value that management is using or most likely to use for the asset or liability.
(2) Represents management's estimate of discount that market participants would require based on the instrument's lack of marketability.
(3) Synovus also makes adjustments to the values of the assets listed above for various reasons, including age of the appraisal, information known by management about the property, such as occupancy rates, changes to the physical conditions of the property, and other factors.
(4) The range has not been disclosed due to the wide range of possible values given the methodology used.

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December 31, 2012 (dollars in thousands)	Level 3 Fair Value	Valuation Technique	Significant Unobservable Input	Range (Weighted Average)[1]
Assets measured at fair value on a recurring basis				
Investment Securities Available for Sale:				
Equity securities	$891	Individual analysis of each investment	Multiple data points, including, but not limited to evaluation of past and projected business performance [2]	N/A[4]
Other investments:				
Trust preferred securities	2,287	Discounted cash flow analysis	Credit spread embedded in discount rate	425-650 bps (571 bps)
			Discount for lack of marketability[2]	0%-10% (0%)
Private equity investments	30,708	Individual analysis of each investee company	Multiple factors, including but not limited to, current operations, financial conditions, cash flows, evaluation of business management and financial plans, and recently executed company transactions related to the investee companies [2]	N/A
Visa derivative liability	$2,956	Probability model	Probability-weighted potential outcomes of the Covered Litigation and fees payable to the counterparty through the estimated term of the contract	$400 thousand to $3.0 million ($3.0 million)

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December 31, 2012 (dollars in thousands)	Level 3 Fair Value	Valuation Technique	Significant Unobservable Input	Range (Weighted Average)[1]
Assets measured at fair value on a non-recurring basis				
Collateral dependent impaired loans	$80,299	Third party appraised value of collateral less estimated selling costs	Discount to appraised value [3] Estimated selling costs	0%-12% (4%) 0%-10% (7%)
Other loans held for sale	7,420	Third party appraised value of collateral less estimated selling costs	Appraised value [3] Estimated selling costs	0%-12% (4%) 0%-10% (7%)
Other real estate	79,293	Third party appraised value of collateral less estimated selling costs	Discount to appraised value [3] Estimated selling costs	0%-7% (2%) 0%-10% (7%)
Other assets held for sale	$5,804	Third party appraised value of collateral less estimated selling costs or BOV	Discount to appraised value [3] Estimated selling costs	13%-51% (29%) 0%-10% (7%)

(1) The range represents management's best estimate of the high and low of the value that would be assigned to a particular input. The weighted average is the measure of central tendencies; it is the value that management is using or most likely to use for the asset or liability.
(2) Represents management's estimate of discount that market participants would require based on the instrument's lack of marketability.
(3) Synovus also makes adjustments to the values of the assets listed above for various reasons, including age of the appraisal, information known by management about the property, such as occupancy rates, changes to the physical conditions of the property, and other factors.
(4) The range has not been disclosed due to the wide range of possible values given the methodology used.

Sensitivity Analysis of Level 3 Unobservable Inputs Measured on a Recurring Basis
Included in the fair value estimates of financial instruments carried at fair value on the consolidated balance sheet are those estimated in full or in part using valuation techniques based on assumptions that are not supported by observable market prices, rates, or other inputs. Unobservable inputs are assessed carefully, considering the current economic environment and market conditions. However, by their very nature, unobservable inputs imply a degree of uncertainty in their determination, because they are supported by little, if any, market activity for the related asset or liability.
Investment Securities Available for Sale

The significant unobservable inputs used in the fair value measurement of the corporate obligations in Level 3 assets are the credit spread embedded in the discount rate and the discount for lack of marketability. Generally, a change in one or more assumptions, and the degree or sensitivity of the change used, can have a meaningful impact on fair value. With regard to the trust preferred securities in Level 3 assets, raising the credit spread, and raising the discount for lack of marketability assumptions will result in a lower fair value measurement.

Private Equity Investments

In the absence of quoted market prices, inherent lack of liquidity, and the long-term nature of private equity investments, significant judgment is required to value these investments. The significant unobservable inputs used in the fair value measurement of private equity investments include current operations, financial condition, and cash flows, comparables and private sales, when available; and recently executed financing transactions related to investee companies. Significant increases or decreases in any of these inputs in isolation would result in a significantly lower or higher fair value measurement.

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Visa Derivative Liability

The fair value of the Visa derivative liability is measured using a probability model, which utilizes probability weighted scenarios for estimates of Visa's aggregate exposure (from which the Company's exposure is derived) to Covered Litigation matters, which include consideration of amounts funded by Visa into its escrow account for the Covered Litigation matters, Visa's disclosures about the Covered Litigation, and estimated future monthly fees payable to the derivative counterparty. Significant increases (decreases) in any of these inputs in isolation would result in a significantly higher (lower) valuation of the Visa derivative liability. Generally, a change in the amount funded by Visa into its escrow for the Covered Litigation would have a directionally similar change in the assumptions used for the discounted cash flow technique used to compute fair value.

Fair Value of Financial Instruments

The following table presents the carrying and fair values of financial instruments at March 31, 2013 and December 31, 2012. The fair value represents management's best estimates based on a range of methodologies and assumptions. For financial instruments that are not recorded at fair value on the balance sheet, such as loans, interest bearing deposits (including brokered deposits), and long-term debt, the figures given in the notes should not be taken as an estimate of the amount that would be realized if all such financial instruments were to be settled immediately.

Cash and cash equivalents, interest bearing funds with the Federal Reserve Bank, interest earning deposits with banks, and federal funds sold and securities purchased under resale agreements are repriced on a short-term basis; as such, the carrying value closely approximates fair value. Since these amounts generally relate to highly liquid assets, these are considered a Level 1 measurement.

Loans, net of deferred fees and costs, are recorded at the amount of funds advanced, less charge-offs and an estimation of credit risk represented by the allowance for loan losses. The fair value estimates for disclosure purposes differentiate loans based on their financial characteristics, such as product classification, loan category, pricing features, and remaining maturity. The fair value of loans is estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type, such as commercial, mortgage, home equity, credit card, and other retail loans. Commercial loans are further segmented into certain collateral code groupings. The fair value of the loan portfolio is calculated, in accordance with ASC 825-10, by discounting contractual cash flows using estimated market discount rates, which reflect the credit and interest rate risk inherent in the loan. This method of estimating fair value does not incorporate the exit-price concept of fair value prescribed by ASC 820-10 and generally produces a higher value than a pure exit price approach. For loans measured using the estimated fair value of collateral less costs to sell, fair value is generally estimated using appraisals of the collateral. Collateral values are monitored and additional write-downs are recognized if it is determined that the estimated collateral values have declined further. Estimated costs to sell are based on current amounts of disposal costs for similar assets. Carrying value is considered to reflect fair value for these loans. Loans are considered a Level 3 fair value measurement.

The fair value of deposits with no stated maturity, such as non-interest bearing demand accounts, interest bearing demand deposits, money market accounts, and savings accounts, is estimated to be equal to the amount payable on demand as of that respective date. The fair value of time deposits is based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits of similar remaining maturities. The value of long-term relationships with depositors is not taken into account in estimating fair values. Synovus has developed long-term relationships with its customers through its deposit base and, in the opinion of management, these customer relationships add significant value to Synovus. Synovus has determined that the appropriate classification for deposits is Level 2 due to the ability to reasonably measure all inputs to valuation based on observable market variables. Short-term and long-term debt is also considered a Level 2 valuation, as management relies on market prices for bonds or debt that is similar, but not necessarily identical, to the debt being valued. Short-term debt that matures within ten days is assumed to be at fair value, and is considered a Level 1 measurement. The fair value of other short-term and long-term debt with fixed interest rates is calculated by discounting contractual cash flows using market discount rates for bonds or debt that is similar but not identical.

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The carrying and estimated fair values of financial instruments, as well as the level within the fair value hierarchy, as of March 31, 2013 and December 31, 2012 are as follows:

	March 31, 2013				
(in thousands)	Carrying Value	Estimated Fair Value	Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	$412,305	412,305	412,305	—	—
Interest bearing funds with Federal Reserve Bank	1,332,512	1,332,512	1,332,512	—	—
Interest earning deposits with banks	21,890	21,890	21,890	—	—
Federal funds sold and securities purchased under resale agreements	122,878	122,878	122,878	—	—
Trading account assets	9,040	9,040	—	9,040	—
Mortgage loans held for sale	144,232	144,232	—	144,232	—
Impaired/other loans held for sale	9,129	9,129	—	—	9,129
Investment securities available for sale	3,049,353	3,049,353	3,919	3,042,122	3,312
Private equity investments	31,742	31,742	—	1,291	30,451
Mutual funds held in Rabbi Trusts	10,533	10,533	10,533	—	—
Loans, net of deferred fees and costs	19,367,887	19,072,196	—	—	19,072,196
Derivative assets	57,605	57,605	—	57,605	—
Financial liabilities					
Non-interest bearing deposits	5,152,276	5,152,276	—	5,152,276	—
Interest bearing deposits	15,408,917	15,428,942	—	15,428,942	—
Federal funds purchased and other short-term borrowings	238,223	238,223	238,223	—	—
Salary stock units	355	355	355	—	—
Long-term debt	1,653,230	1,721,704	—	1,721,704	—
Derivative liabilities	$58,958	58,958	—	56,348	2,610

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(in thousands)	December 31, 2012 Carrying Value	Estimated Fair Value	Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	$614,630	614,630	614,630	—	—
Interest bearing funds with Federal Reserve Bank	1,498,390	1,498,390	1,498,390	—	—
Interest earning deposits with banks	23,442	23,442	23,442	—	—
Federal funds sold and securities purchased under resale agreements	113,517	113,517	113,517	—	—
Trading account assets	11,102	11,102	—	11,102	—
Mortgage loans held for sale	212,663	212,663	—	212,663	—
Impaired /other loans held for sale	10,690	10,690	—	—	10,690
Investment securities available for sale	2,981,112	2,981,112	3,205	2,974,729	3,178
Private equity investments	31,876	31,876	—	1,168	30,708
Mutual funds held in Rabbi Trusts	10,001	10,001	10,001	—	—
Loans, net	19,541,690	19,254,199	—	—	19,254,199
Derivative asset positions	64,662	64,662	—	64,662	—
Financial liabilities					
Trading account liabilities	91	91	—	91	—
Non-interest bearing deposits	5,665,527	5,665,527	—	5,665,527	—
Interest bearing deposits	15,391,517	15,415,160	—	15,415,160	—
Federal funds purchased and other short-term borrowings	201,243	201,243	201,243	—	—
Salary stock units	1,888	1,888	1,888	—	—
Long-term debt	1,726,455	1,784,223	—	1,784,223	—
Derivative liability positions	$66,393	66,393	—	63,437	2,956

Note 9 - Derivative Instruments

As part of its overall interest rate risk management activities, Synovus utilizes derivative instruments to manage its exposure to various types of interest rate risk. These derivative instruments generally consist of interest rate swaps, interest rate lock commitments made to prospective mortgage loan customers, and commitments to sell fixed-rate mortgage loans. Interest rate lock commitments represent derivative instruments since it is intended that such loans will be sold.

From time to time, Synovus utilizes interest rate swaps to manage interest rate risks primarily arising from its core banking activities. These interest rate swap transactions generally involve the exchange of fixed and floating interest rate payment obligations without the exchange of underlying principal amounts. Swaps may be designated as either cash flow hedges or fair value hedges, as discussed below. As of March 31, 2013 and December 31, 2012, Synovus had no outstanding interest rate swap contracts utilized to manage interest rate risk.

The Company is party to master netting arrangements with its dealer counterparties; however, the Company does not offset assets and liabilities under these arrangements for financial statement presentation purposes.

Counterparty Credit Risk and Collateral

Entering into derivative contracts potentially exposes Synovus to the risk of counterparties' failure to fulfill their legal obligations, including, but not limited to, potential amounts due or payable under each derivative contract. Notional principal amounts are often used to express the volume of these transactions, but the amounts potentially subject to credit risk are much smaller. Synovus assesses the credit risk of its dealer counterparties by regularly monitoring publicly available credit rating information and other market indicators. Dealer collateral requirements are determined via risk-based policies and procedures and in accordance with existing agreements. Synovus seeks to minimize dealer credit risk by dealing with highly rated counterparties and by obtaining collateral for exposures above certain predetermined limits. Management closely monitors credit conditions within the customer swap portfolio, which management deems to be of higher risk than dealer counterparties. Collateral is secured at origination and credit related fair value adjustments are recorded against the asset value of the derivative as deemed necessary based upon an analysis, which includes consideration of the current asset value of the swap, customer credit rating, collateral value,

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and customer standing with regards to its swap contractual obligations and other related matters. Such asset values fluctuate based upon changes in interest rates regardless of changes in notional amounts and changes in customer specific risk.

Cash Flow Hedges

Synovus designates hedges of floating rate loans as cash flow hedges. These swaps hedge against the variability of cash flows from specified pools of floating rate prime based loans. Synovus calculates effectiveness of the hedging relationship quarterly using regression analysis. The effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transactions affect earnings. Ineffectiveness from cash flow hedges is recognized in the consolidated statements of income as a component of other non-interest income. As of March 31, 2013, there were no cash flow hedges outstanding, and therefore, no cumulative ineffectiveness.

Synovus expects to reclassify from accumulated other comprehensive income $447 thousand of expense to pre-tax income during the next twelve months as amortization of deferred losses are recorded.

Synovus did not terminate any cash flow hedges during 2013 or 2012. The remaining unamortized deferred net loss balance of all previously terminated cash flow hedges at March 31, 2013 and December 31, 2012 was $(1.9) million and $(2.0) million, respectively.

Fair Value Hedges

Synovus designates hedges of fixed rate liabilities as fair value hedges. These swaps hedge against the change in fair value of various fixed rate liabilities due to changes in the benchmark interest rate, LIBOR. Synovus calculates effectiveness of the fair value hedges quarterly using regression analysis. As of March 31, 2013, there were no fair value hedges outstanding, and therefore, no cumulative ineffectiveness. Ineffectiveness from fair value hedges is recognized in the consolidated statements of income as a component of other non-interest income.

Synovus did not terminate any fair value hedges during 2013 or 2012. The remaining unamortized deferred net gain balance of all previously terminated fair value hedges at March 31, 2013 and December 31, 2012 was $13.0 million and $13.9 million, respectively.

Customer Related Derivative Positions

Synovus enters into interest rate swap agreements to facilitate the risk management strategies of a small number of commercial banking customers. Synovus mitigates this risk by entering into equal and offsetting interest rate swap agreements with highly rated third party financial institutions. The interest rate swap agreements are free-standing derivatives and are recorded at fair value on Synovus' consolidated balance sheet. Fair value changes are recorded in non-interest income in Synovus' consolidated statements of income. As of March 31, 2013, the notional amount of customer related interest rate derivative financial instruments, including both the customer position and the offsetting position, was $1.08 billion, a decrease of $57.2 million compared to December 31, 2012.

Visa Derivative

In conjunction with the sale of Class B shares of common stock issued by Visa to Synovus as a Visa USA member, Synovus entered into a derivative contract with the purchaser, which provides for settlements between the parties based upon a change in the ratio for conversion of Visa Class B shares to Visa Class A shares. The conversion ratio changes when Visa deposits funds to a litigation escrow established by Visa to pay settlements for certain litigation, which Visa is indemnified by Visa USA members. The litigation escrow is funded by proceeds from Visa’s conversion of Class B shares. The fair value of the derivative liability is based on an estimate of Synovus’ membership proportion of Visa’s aggregate exposure to the Covered Litigation, or in effect, the future cumulative deposits to the litigation escrow for settlement of the Covered Litigation, and estimated future monthly fees payable to the derivative counterparty.

Mortgage Derivatives

Synovus originates first lien residential mortgage loans for sale into the secondary market and generally does not hold the originated loans for investment purposes. Mortgage loans are sold by Synovus for conversion to securities and the servicing of these loans is generally sold to a third-party servicing aggregator, or Synovus sells the mortgage loans as whole loans to investors either individually or in bulk on a servicing released basis.

Synovus enters interest rate lock commitments for residential mortgage loans which commit us to lend funds to a potential borrower at a specific interest rate and within a specified period of time. Interest rate lock commitments that relate to the origination of mortgage loans that, if originated, will be held for sale, are considered derivative financial instruments under applicable accounting guidance. Outstanding interest rate lock commitments expose Synovus to the risk that the price of the mortgage loans underlying the commitments may decline due to increases in mortgage interest rates from inception of the rate lock to the funding

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of the loan. At March 31, 2013 and December 31, 2012, Synovus had commitments to fund at a locked interest rate, primarily fixed-rate mortgage loans to customers in the amount of $154.1 million and $158.0 million, respectively. The fair value of these commitments as of March 31, 2013 and 2012, respectively, resulted in an unrealized net gain of $2.8 million and $1.7 million, for the three months ended March 31, 2013 and 2012, respectively, which was recorded as a component of mortgage banking income in the consolidated statements of income.

At March 31, 2013 and December 31, 2012, outstanding commitments to sell primarily fixed-rate mortgage loans amounted to $202.5 million and $231.5 million, respectively. Such commitments are entered into to reduce the exposure to market risk arising from potential changes in interest rates, which could affect the fair value of mortgage loans held for sale and outstanding rate lock commitments, which guarantee a certain interest rate if the loan is ultimately funded or granted by the Bank as a mortgage loan held for sale. The commitments to sell mortgage loans are at fixed prices and are scheduled to settle at specified dates that generally do not exceed 90 days.

Collateral Contingencies

Certain derivative instruments contain provisions that require Synovus to maintain an investment grade credit rating from each of the major credit rating agencies. When Synovus' credit rating falls below investment grade, these provisions allow the counterparties of the derivative instrument to demand immediate and ongoing full collateralization on derivative instruments in net liability positions and, for certain counterparties, request immediate termination. As Synovus' current rating is below investment grade, Synovus is required to post collateral, as required by each agreement, against these positions. As of March 31, 2013, collateral totaling $93.9 million, consisting of cash and short-term investments, has been pledged to the derivative counterparties to comply with collateral requirements.

The impact of derivative instruments on the consolidated balance sheets at March 31, 2013 and December 31, 2012 is presented below.

	Fair Value of Derivative Assets			Fair Value of Derivative Liabilities		
(in thousands)	Location on Consolidated Balance Sheet	March 31, 2013	December 31, 2012	Location on Consolidated Balance Sheet	March 31, 2013	December 31, 2012
Derivatives not designated as hedging instruments:						
Interest rate contracts	Other assets	$54,761	61,869	Other liabilities	$55,683	62,912
Mortgage derivatives	Other assets	2,844	2,793	Other liabilities	665	525
Visa derivative		—	—	Other liabilities	2,610	2,956
Total derivatives not designated as hedging instruments		$57,605	64,662		$58,958	66,393

The effect of the amortization of the termination of cash flow hedges on the consolidated statements of income for the three months ended March 31, 2013 and 2012 is presented below.

	Amount of Gain (Loss) Recognized in OCI Effective Portion		Location of Gain (Loss) Reclassified from OCI into Income Effective Portion	Amount of Gain (Loss) Reclassified from OCI into Income Effective Portion	
	Three Months Ended March 31,			Three Months Ended March 31,	
(in thousands)	2013	2012		2013	2012
Interest rate contracts	$—	(638)	Interest expense	$69	497

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The effect of fair value hedges on the consolidated statements of income for the three months ended March 31, 2013 and 2012 is presented below.

(in thousands)	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative Three Months Ended March 31, 2013	2012
Derivatives not designated as hedging instruments			
Interest rate contracts[1]	Other non-interest income	$121	1,112
Mortgage derivatives[2]	Mortgage banking income	(89)	1,768
Total		$32	2,880

[1] Gain (loss) represents net fair value adjustments (including credit related adjustments) for customer swaps and offsetting positions.
[2] Gain (loss) represents net fair value adjustments recorded for interest rate lock commitments and commitments to sell mortgage loans to third party investors.

Note 10 - Net Income Per Common Share
The following table displays a reconciliation of the information used in calculating basic and diluted earnings per common share for the three months ended March 31, 2013 and 2012.

(in thousands, except per share data)	Three Months Ended March 31, 2013	2012
Basic Net Income Per Common Share:		
Net income available to common shareholders	$14,798	21,369
Weighted average common shares outstanding	787,043	786,135
Basic net income per common share	0.02	0.03
Diluted Net Income Per Common Share:		
Net income available to common shareholders	14,798	21,369
Weighted average number common shares outstanding	787,043	786,135
Potentially dilutive shares from assumed exercise of securities or other contracts to purchase Common Stock	123,792	122,851
Weighted average number diluted common shares	910,835	908,986
Diluted net income per common share	$0.02	0.02

Basic net income per common share is computed by dividing net income by the average common shares outstanding for the period. Diluted net income per common share reflects the dilution that could occur if securities or other contracts to issue Common Stock were exercised or converted. The dilutive effect of outstanding options and restricted share units is reflected in diluted net income per common share, unless the impact is anti-dilutive, by application of the treasury stock method.
For the three months ended March 31, 2013 and 2012, there were 28.6 million and 32.9 million, respectively, potentially dilutive shares related to Common Stock options and Warrants to purchase shares of Common Stock that were outstanding during 2013 and 2012, but were not included in the computation of diluted net income per common share because the effect would have been anti-dilutive.

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Note 11 - Share-based Compensation

General Description of Share-based Plans

Synovus has a long-term incentive plan under which the Compensation Committee of the Board of Directors has the authority to grant share-based awards to Synovus employees. At March 31, 2013, Synovus had a total of 19,539,836 shares of its authorized but unissued Common Stock reserved for future grants under the 2007 Omnibus Plan. The Plan permits grants of share-based compensation including stock options, non-vested shares, and restricted share units. The grants generally include vesting periods ranging from two to five years and contractual terms of 10 years. Stock options are granted at exercise prices which equal the fair value of a share of common stock on the grant-date. Non-vested shares and restricted share units are awarded at no cost to the recipient upon their grant. Synovus has historically issued new shares to satisfy share option exercises and share unit conversions. Dividend equivalents are paid on outstanding restricted share units in the form of additional restricted share units that vest over the same vesting period or the vesting period left on the original restricted share unit grant. On April 25, 2013, the Synovus shareholders approved the 2013 Omnibus Plan, replacing the 2007 Omnibus Plan.

Share-based Compensation Expense

Synovus' share-based compensation costs associated with employee grants are recorded as a component of salaries and other personnel expense in the consolidated statements of income. Share-based compensation costs associated with grants made to non-employee directors of Synovus are recorded as a component of other operating expenses. Share-based compensation expense for service-based awards is recognized net of estimated forfeitures for plan participants on a straight-line basis over the vesting period. Total share-based compensation expense was $1.8 million and $1.6 million for the three months ended March 31, 2013 and 2012, respectively.

Stock Options

During the three months ended March 31, 2013, Synovus awarded 6,003,250 stock options to key employees. The awards have a service-based vesting period of three years. The weighted average grant-date fair value of the awarded stock options was $1.03 determined using the Black-Scholes option pricing model. At March 31, 2013, there were 23,525,929 options to purchase shares of Common Stock outstanding with a weighted average exercise price of $6.90.

Restricted Share Units and Salary Stock Units

During the three months ended March 31, 2013, Synovus awarded 19,306 restricted share units to key employees. The awards have a service-based vesting period of three years. The grant-date fair value of the awarded restricted share units was $2.59 per share. At March 31, 2013, including dividend equivalents granted, there were 4,894,854 restricted share units outstanding with a weighted average grant-date fair value of $2.31.

During the three months ended March 31, 2013, Synovus also granted 125,591 salary stock units to senior management, which vested and were expensed immediately upon grant. Compensation expense is initially determined based on the number of salary stock units granted and the market price of Common Stock at the grant date. Subsequent to the grant date, compensation expense is recorded for changes in Common Stock market price. The total fair value of salary stock units granted during the three months ended March 31, 2013 was $355 thousand. Additionally, Synovus recorded compensation expense of $200 thousand during the three months ended March 31, 2013 related to salary stock units granted during 2012 that were settled on February 15, 2013. The salary stock units granted during 2013 are classified as liabilities and will be settled in cash on January 15, 2014.

Note 12 - Income Taxes

The valuation allowance on deferred tax assets was $19.4 million and $18.7 million at March 31, 2013 and December 31, 2012, respectively. Management assesses the valuation allowance recorded against deferred tax assets at each reporting period. The determination of whether a valuation allowance for deferred tax assets is appropriate is subject to considerable judgment and requires an evaluation of all the positive and negative evidence.

During 2009, the Company established a valuation allowance for substantially all of its deferred tax assets, primarily due to the realization of significant losses, significant credit deterioration and negative trending in asset quality and uncertainty regarding the amount of future taxable income that the Company could forecast. At December 31, 2012, based upon the assessment of all positive and negative evidence, management concluded that it was more likely than not that $806.4 million of the net deferred tax asset would be realized based upon future taxable income and therefore reversed $806.4 million of the valuation reserve.

At March 31, 2013, the Company continued to be in a three-year cumulative loss position, which represents negative evidence. However, based on the assessment of all the positive and negative evidence, management has concluded that it is more likely than not that $792.7 million of the net deferred tax asset will be realized based upon future taxable income. The valuation allowance

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of $19.4 million at March 31, 2013 is related to specific state income tax credits and specific state NOL carryforwards that have various expiration dates through the tax year 2018 and 2028, respectively, and are expected to expire before they can be utilized.
Synovus expects to realize the $792.7 million in net deferred tax assets well in advance of the statutory carryforward period. At March 31, 2013, $189.3 million of existing deferred tax assets are not related to net operating losses or credits and therefore, have no expiration date. Approximately $507 million of the remaining deferred tax assets relate to federal net operating losses which will expire in annual installments beginning in 2028 through 2032. Additionally, $69.6 million of the deferred tax assets relate to state NOLs which will expire in annual installments beginning in 2013 through 2032. Tax credit carryforwards at March 31, 2013 include federal alternative minimum tax credits totaling $19.6 million which have an unlimited carryforward period. Other federal and state tax credits at March 31, 2013 total $26.6 million and will expire in years 2013 through 2033.
The valuation allowance could fluctuate in future periods based on the assessment of the positive and negative evidence. Management's conclusion at March 31, 2013 that it is more likely than not that the net deferred tax assets of $792.7 million will be realized is based upon management's estimate of future taxable income. Management's estimate of future taxable income is based on internal projections which consider historical performance, various internal estimates and assumptions, as well as certain external data all of which management believes to be reasonable although inherently subject to significant judgment. If actual results differ significantly from the current estimates of future taxable income, even if caused by adverse macro-economic conditions, the valuation allowance may need to be increased for some or all of the Company's deferred tax asset. Such an increase to the deferred tax asset valuation allowance could have a material adverse effect on Synovus' financial condition and results of operations.
Synovus is subject to income taxation in the United States and various state jurisdictions. Synovus' federal income tax return is filed on a consolidated basis, while state income tax returns are filed on both a consolidated and separate entity basis. Currently, no years for which Synovus filed a federal income tax return are under examination by the IRS, and there are no state tax examinations currently in progress. Synovus is no longer subject to income tax examinations from state and local income tax authorities for years before 2008. Although Synovus is unable to determine the ultimate outcome of future examinations, Synovus believes that the liability recorded for uncertain tax positions is adequate.
At March 31, 2013 and December 31, 2012, unrecognized income tax benefits totaled $934 thousand and $1.1 million, respectively.

Note 13 - Legal Proceedings
Synovus carefully examines and considers each legal matter, and, in those situations where Synovus determines that a particular legal matter presents loss contingencies that are both probable and reasonably estimable, Synovus establishes an appropriate accrual. An event is considered to be “probable” if “the future event is likely to occur.” The actual amounts accrued by Synovus in respect of legal matters as of March 31, 2013 are not material to Synovus' unaudited interim consolidated financial statements. The actual costs of resolving legal claims may be higher or lower than the amounts accrued.
In addition, where Synovus determines that there is a reasonable possibility of a loss in respect of legal matters, including those legal matters described below, Synovus considers whether it is able to estimate the total reasonably possible loss or range of loss. An event is “reasonably possible” if “the chance of the future event or events occurring is more than remote but less than likely.” An event is “remote” if “the chance of the event or future event occurring is more than slight but less than reasonably possible." In many situations, Synovus may be unable to estimate reasonably possible losses due to the preliminary nature of the legal matters, as well as a variety of other factors and uncertainties. For those legal matters where Synovus is able to estimate a range of reasonably possible losses, Synovus' management currently estimates the aggregate range of reasonably possible losses is from zero to $75 million in excess of amounts accrued, if any, related to those matters. This estimated aggregate range is based upon information currently available to Synovus, and the actual losses could prove to be higher. As there are further developments in these legal matters, Synovus will reassess these matters, and the estimated range of reasonably possible losses may change as a result of this assessment. Based on Synovus' current knowledge and advice of counsel, management presently does not believe

that the liabilities arising from these legal matters will have a material adverse effect on Synovus' consolidated financial condition, results of operations or cash flows. However, it is possible that the ultimate resolution of these legal matters could have a material adverse effect on Synovus' results of operations and financial condition for any particular period.

Synovus intends to vigorously pursue all available defenses to these legal matters, but will also consider other alternatives, including settlement, in situations where there is an opportunity to resolve such legal matters on terms that Synovus considers to be favorable, including in light of the continued expense and distraction of defending such legal matters. Synovus also maintains insurance coverage, which may (or may not) be available to cover legal fees, or potential losses that might be incurred in connection with the legal matters described below. The above-noted estimated range of reasonably possible losses does not take into consideration insurance coverage which may or may not be available for the respective legal matters.

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Securities Class Action and Related Litigation

Securities Class Action

On July 7, 2009, the City of Pompano Beach General Employees' Retirement System filed suit against Synovus, and certain of Synovus' current and former officers, in the United States District Court, Northern District of Georgia (Civil Action File No. 1:09-CV-1811) (the “Securities Class Action”); and on June 11, 2010, Lead Plaintiffs, the Labourers' Pension Fund of Central and Eastern Canada and the Sheet Metal Workers' National Pension Fund, filed an amended complaint alleging that Synovus and the named individual defendants misrepresented or failed to disclose material facts that artificially inflated Synovus' stock price in violation of the federal securities laws. Lead Plaintiffs' allegations are based on purported exposure to Synovus' lending relationship with the Sea Island Company and the impact of such alleged exposure on Synovus' financial condition. Lead Plaintiffs in the Securities Class Action seek damages in an unspecified amount. On May 19, 2011, the Court ruled that the amended complaint failed to satisfy the mandatory pleading requirements of the Private Securities Litigation Reform Act. The Court also ruled that Lead Plaintiffs would be allowed the opportunity to submit a further amended complaint. Lead Plaintiffs served their second amended complaint on June 27, 2011. Defendants filed a Motion to Dismiss that complaint on July 27, 2011. On March 22, 2012, the Court granted in part and denied in part that Motion to Dismiss. On April 19, 2012, the Defendants filed a motion requesting that the Court reconsider its March 22, 2012 order. On September 26, 2012, the Court issued a written order denying the Motion for Reconsideration. Defendants filed their answer to the second amended complaint on May 21, 2012. On March 7, 2013, the Court granted Lead Plaintiffs' motion for class certification. Defendants have filed a motion for permission to appeal the class certification ruling with the 11th Circuit Court of Appeals. Discovery in this case is ongoing.

There are significant uncertainties involved in any potential class action. Synovus may seek to mediate the Securities Class Action in order to determine whether a reasonable settlement can be reached. In the event the Securities Class Action is not settled, Synovus and the individually named defendants collectively intend to vigorously defend themselves against the Securities Class Action.

Related Derivative Litigation

On November 4, 2009, a shareholder filed a putative derivative action purportedly on behalf of Synovus in the United States District Court, Northern District of Georgia (Civil Action File No. 1:09-CV-3069) (the “Federal Shareholder Derivative Lawsuit”), against certain current and/or former directors and executive officers of Synovus. The Federal Shareholder Derivative Lawsuit asserts that the individual defendants violated their fiduciary duties based upon substantially the same facts as alleged in the Securities Class Action described above. The plaintiff is seeking to recover damages in an unspecified amount and equitable and/or injunctive relief.

On December 1, 2009, at the request of the parties, the Court consolidated the Securities Class Action and Federal Shareholder Derivative Lawsuit for discovery purposes, captioned In re Synovus Financial Corp., 09-CV-1811-JOF, holding that the two cases involve “common issues of law and fact.” Plaintiff in the Federal Shareholder Derivative Lawsuit served a verified amended shareholder derivative complaint on June 5, 2012. On July 25, 2012, Defendants filed a motion to dismiss the amended shareholder derivative complaint. On October 4, 2012, the parties to the Federal Shareholder Derivative Lawsuit reached an agreement in principal to settle, subject to the Court's approval, the outstanding derivative claims purportedly brought on behalf of Synovus in the Federal Shareholder Derivative Lawsuit and the State Shareholder Derivative Lawsuit. On November 14, 2012, the parties to the Federal Shareholder Derivative Lawsuit executed a Stipulation of Settlement memorializing the principal terms of their proposed settlement agreement (the “Settlement Agreement”). On January 8, 2013, the Court granted preliminary approval to the proposed Settlement Agreement. The Settlement Agreement was finally approved at a hearing held on February 26, 2013.

On December 21, 2009, a shareholder filed a putative derivative action purportedly on behalf of Synovus in the Superior Court of Fulton County, Georgia (the “State Shareholder Derivative Lawsuit”), against certain current and/or former directors and executive officers of Synovus. The State Shareholder Derivative Lawsuit asserts that the individual defendants violated their fiduciary duties based upon substantially the same facts as alleged in the Federal Shareholder Derivative Lawsuit described above. The plaintiff is seeking to recover damages in an unspecified amount and equitable and/or injunctive relief. On June 17, 2010, the Superior Court entered an Order staying the State

Shareholder Derivative Lawsuit pending resolution of the Federal Shareholder Derivative Lawsuit. On March 12, 2013, a final order was entered dismissing the State Shareholder Derivative Lawsuit.

Overdraft Litigation

Posting Order Litigation

On September 21, 2010, Synovus, Synovus Bank and CB&T were named as defendants in a putative multi-state class action relating to the manner in which Synovus Bank charges overdraft fees to customers. The case, Childs et al. v. Columbus Bank and Trust et al., was filed in the Northern District of Georgia, Atlanta Division, and asserts claims for breach of contract and breach of the covenant of good faith and fair dealing, unconscionability, conversion and unjust enrichment for alleged injuries suffered by plaintiffs as a result of Synovus Bank's assessment of overdraft charges in connection with its POS/debit and automated-teller machine cards allegedly resulting from the sequence used to post payments to the plaintiffs' accounts. On October 25, 2010, the

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Childs case was transferred to a multi-district proceeding in the Southern District of Florida. In Re: Checking Account Overdraft Litigation, MDL No. 2036. Plaintiffs amended their complaint on October 21, 2011. The Synovus entities filed a motion to dismiss the amended complaint on November 22, 2011. On July 26, 2012, the court denied the motion as to Synovus and Synovus Bank, but granted the motion as to CB&T. Synovus and Synovus Bank filed their answer to the amended complaint on September 24, 2012. The case is currently in discovery.

On January 25, 2012, Synovus Bank was named as a defendant in another putative multi-state class action relating to the manner in which Synovus Bank charges overdraft fees to customers. The case, Green et al. v. Synovus Bank, was filed in the Middle District of Georgia, Columbus Division, and asserts claims for breach of contract and breach of the covenant of good faith and fair dealing, unconscionability, conversion, unjust enrichment and money had and received for alleged injuries suffered by plaintiffs as a result of Synovus Bank's assessment of overdraft charges in connection with its POS/debit and automated-teller machine cards allegedly resulting from the sequence used to post payments to the plaintiffs' accounts. On February 14, 2012, Synovus Bank filed a motion to dismiss the complaint. On March 8, 2012, Plaintiff filed an amended complaint to add a claim under the Georgia Fair Business Practices Act. On March 22, 2012, Synovus Bank filed a motion to dismiss the amended complaint. On April 19, 2012, the Judicial Panel on Multidistrict Litigation issued a Conditional Transfer Order conditionally transferring the case to the multi-district proceeding in the Southern District of Florida. In Re: Checking Account Overdraft Litigation, MDL No. 2036. On April 20, 2012, Synovus Bank and Plaintiffs separately filed objections to the Conditional Transfer Order. On May 4 and 5, 2012 Synovus Bank and Plaintiffs separately filed motions to vacate the Conditional Transfer Order. On August 3, 2012, the Judicial Panel on Multidistrict Litigation ordered the case transferred to the multi-district proceeding in the Southern District of Florida. In Re: Checking Account Overdraft Litigation, MDL No. 2036.

On September 5, 2012, the plaintiffs in the Childs case filed an amended complaint that added Richard Green, the named plaintiff from the Green et al. v. Synovus Bank case, as a named plaintiff in the Childs case. As a result, the parties advised the court that the Green et al. v. Synovus Bank case should be dismissed without prejudice. On November 8, 2012, the court entered an order dismissing without prejudice the Green case.

Assertion of Overdraft Fees as Interest Litigation

Synovus Bank was also named as a defendant in a putative state-wide class action in which the plaintiffs allege that overdraft fees charged to customers constitute interest and, as such, are usurious under Georgia law. The case, Griner et. al. v. Synovus Bank, et. al. was filed in Gwinnett County State Court (state of Georgia) on July 30, 2010, and asserts claims for usury, conversion and money had and received for alleged injuries suffered by the plaintiffs as a result of Synovus Bank's assessment of overdraft charges in connection with its POS/debit and automated-teller machine cards used to access customer accounts. Plaintiffs contend that such overdraft charges constitute interest and are therefore subject to Georgia usury laws. Synovus Bank contends that such overdraft charges constitute non-interest fees and charges under both federal and Georgia law and are otherwise exempt from Georgia usury limits. On September 1, 2010, Synovus Bank removed the case to the United States District Court for the Northern District of Georgia, Atlanta Division. The plaintiffs filed a motion to remand the case to state court. On July 22, 2011, the federal court entered an order granting plaintiffs' motion to remand the case to the Gwinnett County State Court. Synovus Bank subsequently filed a motion to dismiss. On February 22, 2012, the state court entered an order denying the motion to dismiss. On March 1, 2012, the state court signed and entered a certificate of immediate review thereby permitting Synovus Bank to petition the Georgia Court of Appeals for a discretionary appeal of the denial of the motion to dismiss. On March 12, 2012, Synovus Bank filed its application for interlocutory appeal with the Georgia Court of Appeals. On April 3, 2012, the Georgia Court of Appeals granted Synovus Bank's application for interlocutory appeal of the state court's order denying Synovus Bank's motion to dismiss. On April 11, 2012, Synovus Bank filed its notice of appeal. Oral arguments were heard in the case on September 19, 2012. On March 28, 2013, the Georgia Court of Appeals entered an order affirming the denial of Synovus Bank's motion to dismiss and remanding the case back to the State Court of Gwinnett County for further proceedings. On April 8, 2013, Synovus Bank filed a motion requesting that the Court of Appeals reconsider its March 28, 2013 order. On April 11, 2013, the Court of Appeals entered an order denying Synovus Bank's motion for reconsideration. On April 19, 2013, Synovus Bank filed a notice of its intent to petition the Supreme Court of Georgia for a writ of certiorari. On May 1, 2013, Synovus Bank filed a petition for writ of certiorari with the Supreme Court of Georgia. The case remains pending.

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Explanation of Responses:

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ITEM 2. – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In this Report, the words "Synovus," "the Company," "we," "us," and "our" refer to Synovus Financial Corp. together with Synovus Bank and Synovus' other wholly-owned subsidiaries, except where the context requires otherwise.

FORWARD-LOOKING STATEMENTS

Certain statements made or incorporated by reference in this Report which are not statements of historical fact, including those under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Report, 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 Exchange Act. Forward-looking statements include statements with respect to Synovus' beliefs, plans, objectives, goals, targets, expectations, anticipations, assumptions, estimates, intentions and future performance and involve known and unknown risks, many of which are beyond Synovus' control and which may cause Synovus' actual results, performance or achievements or the commercial banking industry or economy generally, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

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," "assume "predicts," "could," "should," "would," "intends," "targets," "estimates," "projects," "plans," "potential" and other similar wor expressions of the future or otherwise regarding the outlook for Synovus' future business and financial performance and/or the performance of the commercial banking industry and economy in general. Forward-looking statements are based on the 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 document. Many of these factors are beyond Synovus' ability to control or predict. These factors include, but are not limited to:

(1) further deterioration in credit quality may result in increased non-performing assets and credit losses, which could adversely impact our capital, financial condition, and results of operations;

(2) the risk that our allowance for loan losses may prove to be inadequate or may be negatively affected by credit risk exposures;

(3) further declines in the values of residential and commercial real estate may result in further write-downs of assets and realized losses on disposition of non-performing assets, which may increase credit losses and negatively affect our financial results;

(4) the risk that we may not realize the expected benefits from our efficiency and growth initiatives, which will negatively affect our future profitability;

(5) the risks that if economic conditions worsen or regulatory capital rules are modified, or the results of mandated "stress testing" do not satisfy certain criteria, we may be required to undertake additional strategic initiatives to improve our capital position;

(6) changes in the interest rate environment and competition in our primary market area may result in increased funding costs or reduced earning assets yields, thus reducing margins and net interest income;

(7) changes in the cost and availability of funding due to changes in the deposit market and credit market, or the way in which we are perceived in such markets, including any reduction in our credit ratings;

(8) the impact on our borrowing costs, capital costs and our liquidity due to our status as a non-investment grade issuer and any reduction in our credit ratings;

(9) restrictions or limitations on access to funds from historical and alternative sources of liquidity could adversely affect our overall liquidity, which could restrict our ability to make payments on our obligations or dividend payments on our Common Stock and Series A Preferred Stock and our ability to support asset growth and sustain our operations and the operations of Synovus Bank;

(10) future availability and cost of additional capital and liquidity on favorable terms, if at all;

(11)

the risk that even though we have reversed substantially all of the deferred tax asset valuation allowance, we may be required to increase the valuation allowance in future periods, or we may not be able to realize the deferred tax assets in the future;

(12) the risk that we could have an “ownership change” under Section 382 of the IRC, which could impair our ability to timely and fully utilize our net operating losses and built-in losses that may exist when such “ownership change” occurs;

(13) the impact on our financial results, reputation, and business if we are unable to comply with all applicable federal and state regulations and the applicable MOUs, board resolutions, or other supervisory actions or directives and any necessary capital initiatives;

(14) the impact of our continued participation in TARP and the CPP, including the impact on compensation and other restrictions imposed under TARP which affect our ability to attract, retain, and compensate talented executives and other employees

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and the impact of actions that we may be required to take to exit from the CPP and repay the outstanding Series A Preferred Stock issued under the CPP;

(15) the impact of the Dodd-Frank Act and other recent and proposed changes in governmental policy, laws and regulations, including proposed and recently enacted changes in the regulation of banks and financial institutions, or the interpretation or application thereof, including restrictions, increased capital requirements, limitations and/or penalties arising from banking, securities and insurance laws, enhanced regulations and examinations and restrictions on compensation;

(16) the risk that we may be unable to pay dividends on our Common Stock;

(17) the risk that we may be required to make substantial expenditures to keep pace with the rapid technological changes in the financial services market;

(18) the risk that our enterprise risk management framework may not identify or address risks adequately, which may result in unexpected losses;

(19) risks related to a failure in or breach of our operational or security systems of our infrastructure, or those of our third party vendors and other service providers, including as a result of cyber attacks, which could disrupt our businesses, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs or cause losses;

(20) risks related to our reliance on third parties to provide key components of our business infrastructure, including the costs of services and products provided to us by third parties, and risks related to disruptions in service or financial difficulties of a third party vendor;

(21) the costs and effects of litigation, investigations, inquiries or similar matters, or adverse facts and developments related thereto;

(22) the risk that we may be required to record goodwill impairment charges in the future;

(23) risks related to the loss of customers to alternatives to bank deposits, which could affect our income and force us to rely on relatively more expensive sources of funding;

(24) risks related to recent and proposed changes in the mortgage banking industry, including the risk that we may be required to repurchase mortgage loans sold to third parties and the impact of the “ability to pay” and “qualified mortgage” rules on our loan origination process and foreclosure proceedings;

(25) the effects of any damages to Synovus' reputation resulting from developments related to any of the items identified above; and

(26) other factors and other information contained in this Report and in other reports and filings that we make with the SEC under the Exchange Act, including, without limitation, those found in "Part I - Item 1A.- Risk Factors" of Synovus' 2012 Form 10-K.

For a discussion of these and other risks that may cause actual results to differ from expectations, refer to “Part I - Item 1A. Risk Factors” and other information contained in Synovus' Form 2012 10-K and our other periodic filings, including quarterly reports on Form 10-Q and current reports on Form 8-K, that we file from time to time with the SEC. All written or oral forward-looking statements that are made by or are attributable to Synovus are expressly qualified by this cautionary notice. You should not place undue reliance on any forward-looking statements since those statements speak only as of the date on which the statements are made. Synovus undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of new information or unanticipated events, except as may otherwise be required by law.

INTRODUCTION AND CORPORATE PROFILE

Synovus Financial Corp. is a diversified financial services company and a registered financial holding company headquartered in Columbus, Georgia. Synovus provides integrated financial services including commercial and retail banking, financial management, insurance, and mortgage services to its customers through locally-branded banking divisions of its wholly-owned subsidiary bank, Synovus Bank, and other offices in Georgia, Alabama, South Carolina, Florida, and Tennessee.

The following financial review summarizes the significant trends affecting Synovus’ results of operations and financial condition for the three months ended March 31, 2013 and 2012. This discussion supplements, and should be read in conjunction with, the unaudited interim consolidated financial statements and notes thereto contained elsewhere in this Report and the consolidated financial statements of Synovus, the notes thereto, and management’s discussion and analysis contained in Synovus’ 2012 Form 10-K.

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Management's Discussion and Analysis of Financial Condition and Results of Operations are divided into key segments:

- Economic Overview—Provides an overview, including our thoughts on the impact of the economy, legislative and regulatory initiatives, and recent industry developments.
- Discussion of Results of Operations—Reviews Synovus' financial performance, as well as selected balance sheet items, items from the statements of income, and certain key ratios that illustrate Synovus' performance.
- Credit Quality, Capital Resources and Liquidity—Discusses credit quality, market risk, and liquidity, as well as performance trends. It also includes a discussion of liquidity policies, how Synovus obtains funding, and related performance.
- Additional Disclosures—Provides comments on additional important matters including other contingencies, critical accounting policies and non-GAAP financial measures used within this Report.

A reading of each section is important to understand fully the nature of our financial performance.

ECONOMIC OVERVIEW

For the three months ended March 31, 2013, economic growth has continued at a very modest pace with limited job growth and continued above average unemployment levels. The uncertainty surrounding the sequester impacts and the fiscal cliff, as well as the end of the Social Security tax holiday, have resulted in generally cautious hiring and spending by businesses and consumers. The Conference Board Consumer Confidence Index,® which continues to reflect volatility from the uncertainties in the national and global economies, improved to 59.7%, in March 2013, up from 46.0% in December 2012, but down as compared to 69.5% in March 2012.

U.S. home prices across the nation are expected to continue to slowly recover during 2013. The number of new foreclosures initiated in the fourth quarter of 2012 fell to the lowest level since officials began tracking them during the financial crisis. Sales of new and existing 1-4 family homes continue to be volatile from month to month; however, construction spending on the commercial sector steadily rose during the first quarter of 2013. A continuation of recent improvements in housing markets could have a beneficial impact on the broader United States economy.

During 2012, the European Central Bank rescued a number of financially distressed European countries by offering long-term financing. The use of the common currency in Europe, the Euro, has caused many questions regarding the continued use of the shared currency. European countries are currently experiencing very weak economic conditions which could negatively impact the United States economy. Synovus does not have a direct exposure to the European markets. Given the current economic uncertainties, Synovus will continue to monitor the impact of international developments on domestic economic activity and determine the most appropriate strategies to pursue.

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DISCUSSION OF RESULTS OF OPERATIONS

Consolidated Financial Highlights

A summary of Synovus' financial performance for the three months ended March 31, 2013 and 2012 is set forth in the table below.

	Three Months Ended March 31,					
(dollars in thousands, except per share data)	2013		2012	Change		
Net interest income	$199,814		220,959	(9.6	)%
Provision for loan losses	35,696		66,049	(46.0	)
Non-interest income	64,721		84,139	(23.1	)
Non-interest expense	182,286		203,133	(10.3	)
Core expenses[1]	163,804		174,447	(6.1	)
Income before income taxes	46,553		35,916	29.6	
Pre-tax, pre-credit costs income[1]	100,686		110,568	(8.9	)
Net income available to common shareholders	14,798		21,369	(30.8	)
Net income per common share, basic	0.02		0.03	(30.8	)
Net income per common share, diluted	$0.02		0.02	(30.9	)%
Net interest margin	3.43	%	3.55	(12)bps	
Net charge-off ratio	1.18		1.90	(72	)

(dollars in thousands, except per share data)	March 31, 2013		December 31, 2012	Sequential Quarter Change		March 31, 2012		Year Over Year Change	
Loans, net of deferred fees and costs	$19,367,887		19,541,690	(173,803	)	$19,843,698		(475,811	)
Total deposits	20,561,193		21,057,044	(495,851	)	22,137,702		(1,576,509	)
Core deposits[1]	19,228,561		19,964,295	(735,734	)	20,730,993		(1,502,432	)
Core deposits excluding time deposits[1]	15,746,365		16,380,991	(634,626	)	16,428,701		(682,336	)
Non-performing assets ratio	3.47	%	3.57	(10)bps		5.26	%	(179)bps	
Past dues over 90 days	0.03		0.03	—		0.04		(1	)
Tier 1 capital[1]	$2,866,490		2,832,244	34,246		$2,799,794		66,696	
Tier 1 common equity[1]	1,896,485		1,864,917	31,568		1,840,258		56,227	
Total risk-based capital	3,493,091		3,460,998	32,093		3,518,230		(25,140	)
Tier 1 capital ratio[1]	13.50	%	13.24	26 bps		13.19	%	31 bps	
Tier 1 common equity ratio[1]	8.93		8.72	21		8.67		26	
Total risk-based capital ratio	16.45		16.18	27		16.57		(12)	
Total shareholders' equity to total assets ratio[1]	13.65		13.34	31		10.43		322	
Tangible common equity to tangible assets ratio[1]	9.89		9.66	23		6.81		308	

(1) See reconciliation of "Non-GAAP Financial Measures" in this Report.

Results for the Three Months Ended March 31, 2013

For the three months ended March 31, 2013, net income available to common shareholders was $14.8 million, or $0.02 per diluted common share, compared to net income available to common shareholders of $709.3 million, or $0.78 per diluted common share for the three months ended December 31, 2012, and net income available to common shareholders of $21.4 million, or $0.02 per diluted common share for the three months ended March 31, 2012. The first quarter of 2013 results included restructuring charges of $4.9 million and income tax expense of $17.0 million. The fourth quarter of 2012 results included investment securities gains of $8.2 million, approximately $157 million in pre-tax charges from distressed asset dispositions, and an income tax benefit of $796.3 million primarily from the reversal of the deferred tax asset valuation allowance. The first quarter of 2012 results included securities gains of $20.1 million and an income tax benefit of $77 thousand.

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All key credit quality metrics continued to improve during the first quarter of 2013. Credit costs fell to the lowest level in more than five years to $49.3 million for the first quarter of 2013, compared to $185.8 million for the fourth quarter of 2012 and $90.9 million for the first quarter of 2012. Net charge-offs of $57.3 million for the first quarter of 2013 decreased by $37.4 million, or 39.5% from the first quarter of 2012. NPL inflows were $83.9 million for the first quarter of 2013, a 39.9% decrease from $139.6 million for the first quarter of 2012. Total non-performing assets declined $25.5 million from $703.1 million at December 31, 2012 to $677.6 million at March 31, 2013, and declined $378.2 million or 35.8% from $1.06 billion at March 31, 2012. As a percentage of total loans outstanding, past due loans remained at favorable levels with total past due loans and still accruing interest of 0.46% at March 31, 2013 compared to 0.54% and 0.73% at December 31, 2012 and March 31, 2012, respectively, and loans 90 days past due and still accruing interest of 0.03% at March 31, 2013 compared to 0.03% and 0.04% at December 31, 2012 and March 31, 2012, respectively.

Pre-tax, pre-credit costs income (which excludes provision for loan losses, other credit costs, restructuring charges, Visa indemnification charges, and investment securities gains, net) was $100.7 million for the first quarter of 2013, a decrease of $7.3 million, or 6.7%, from the fourth quarter of 2012. Compared to first quarter of 2012, pre-tax, pre-credit costs income for the three months ended March 31, 2013 decreased $9.9 million, or 8.9%. As compared to the fourth quarter of 2012, the first quarter 2013 decrease in pre-tax, pre-credit costs income was driven by a $7.6 million decrease in net interest income, a $7.2 million decrease in non-interest income, excluding investment securities gains, net; and a $7.6 million decrease in core expenses. The decline from the first quarter of 2012 was driven by a $21.1 million decrease in net interest income and a $10.6 million decrease in core expenses. See reconciliation of "Non-GAAP Financial Measures" in this Report.

Loans, net of deferred fees and costs were $19.37 billion at March 31, 2013, a $173.8 million, or 3.6% annualized decrease from December 31, 2012, and a $475.8 million, or 2.4% decrease from March 31, 2012. The net sequential quarter loan decline, excluding the impact of loan sales, transfers to loans held-for-sale, charge-offs, and foreclosures, was $51.6 million for the first quarter of 2013, compared to net loan growth of $345.4 million during the fourth quarter of 2012, and a net loan decline of $25.3 million during the first quarter of 2012. See reconciliation of "Non-GAAP Financial Measures" in this Report.

Total deposits decreased by $495.9 million, to $20.56 billion, from the fourth quarter of 2012. The decline in total deposits was driven primarily by decreases in non-interest bearing demand deposits and NOW account balances due to expected reductions in clearing and SCM temporary accounts which were at elevated levels at year-end. Core deposits ended the quarter at $19.23 billion, down $735.7 million compared to December 31, 2012. Core deposits, excluding time deposits, were $15.75 billion at March 31, 2013, down $634.6 million compared to December 31, 2012. Compared to March 31, 2012, core deposits excluding time deposits decreased $682.3 million or 4.2%. See reconciliation of "Non-GAAP Financial Measures" in this Report.

Total shareholder's equity was $3.58 billion at March 31, 2013 compared to $3.57 billion at December 31, 2012. Synovus continues to actively monitor evolving industry capital standards and changes in regulatory standards and requirements. As part of its ongoing management of capital, Synovus will continue to monitor its capital position and identify, consider, and pursue additional strategies to bolster its capital position as deemed necessary.

Recent Developments

As previously disclosed, in 2009, Synovus entered into the Synovus MOU with the Atlanta Fed and the GA DBF. The Atlanta Fed and the GA DBF terminated the Synovus MOU effective as of April 22, 2013. The Synovus MOU has been replaced with a resolution adopted by Synovus' Board of Directors relating to, among other things, continued emphasis on improving asset quality and maintaining strong levels of capital and liquidity. Based upon current discussions with the GA DBF and the FDIC, Synovus currently expects that the Bank MOU will be terminated and replaced with a Synovus Bank BOD resolution in the near future.

TARP Repayment Expectations

Synovus currently expects to repay TARP during the third quarter of 2013, subject to regulatory approval. Management currently expects that the largest single repayment source will be existing cash (primarily dividends from Synovus Bank, subject to regulatory approval). Other repayment sources are expected to include a Tier 1 Capital component (a combination of common and/or preferred stock), as well as proceeds from a debt issuance.

Changes in Financial Condition

During the three months ended March 31, 2013, total assets decreased by $547.1 million to $26.21 billion, compared to December 31, 2012. The principal components of this decrease were a decrease of $202.3 million in cash and cash equivalents, a decrease of $165.9 million in interest bearing funds with the Federal Reserve Bank, a $68.4 million decrease in mortgage loans held for sale and a decrease of $173.8 million in net loans. These decreases were partially offset by an increase in investment securities available for sale of $68.2 million.

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Loans

The following table compares the composition of the loan portfolio at March 31, 2013, December 31, 2012, and March 31, 2012.

(dollars in thousands)	March 31, 2013	December 31, 2012	March 31, 2013 vs. December 31, 2012 % Change[(1)]	March 31, 2012	March 31, 2013 vs. March 31, 2012 % Change
Investment properties	$4,362,815	4,376,118	(1.2)%	$4,446,808	(1.9)%
1-4 family properties	1,237,395	1,279,105	(13.2)	1,554,156	(20.4)
Land acquisition	762,566	794,229	(16.2)	1,049,547	(27.3)
Total commercial real estate	6,362,776	6,449,452	(5.5)	7,050,511	(9.8)
Commercial, financial and agricultural	5,221,535	5,301,134	(6.1)	5,122,095	1.9
Owner-occupied	3,825,409	3,800,380	2.7	3,813,638	0.3
Commercial and industrial	9,046,944	9,101,514	(2.4)	8,935,733	1.2
Home equity lines	1,508,507	1,542,397	(8.9)	1,595,675	(5.5)
Consumer mortgages	1,378,055	1,394,248	(4.7)	1,390,126	(0.9)
Credit cards	251,618	263,561	(18.4)	264,470	(4.9)
Small business	553,056	516,349	28.8	328,572	68.3
Other retail loans	288,483	294,542	(8.3)	289,915	(0.5)
Total retail	3,979,719	4,011,097	(3.2)	3,868,758	2.9
Total loans	19,389,439	19,562,063	(3.6)	19,855,002	(2.3)
Deferred fees and costs, net	(21,552)	(20,373)	23.5	(11,304)	90.7
Total loans, net of deferred fees and costs	$19,367,887	19,541,690	(3.6)%	$19,843,698	(2.4)%

(1) Percentage changes are annualized

At March 31, 2013, total loans outstanding were $19.37 billion, a sequential quarter decrease of $173.8 million or 3.6% annualized. The sequential quarter decrease was impacted by borrowing patterns, pricing discipline, and CRE pay-downs. Excluding the impact of charge-offs, foreclosures, and transfers to loans held for sale, total loans decreased by approximately $52 million during the first quarter of 2013, compared to a sequential quarter decline of approximately $25 million during the first quarter of 2012. Total commercial and industrial and retail loans combined remain above our target goal of 65% and represent 67.2% of total loans as of March 31, 2013, compared to 67.1% as of December 31, 2012, 64.5% as of March 31, 2012, and approximately 55% in the first quarter of 2007 when CRE loans were at a peak of approximately 45% of the loan portfolio. See reconciliation of “Non-GAAP Financial Measures” in this Report for further information on net loan growth (decline).

Commercial Loans

Total commercial loans (which are comprised of C&I and CRE loans) at March 31, 2013 were $15.41 billion or 79.5% of the total loan portfolio compared to $15.55 billion or 79.5% at December 31, 2012 and $15.99 billion or 80.6% at March 31, 2012.

At March 31, 2013 and December 31, 2012, Synovus had 20 and 22 commercial loan relationships, respectively, with total commitments of $50 million or more (including amounts funded). The average funded balance of these relationships at both March 31, 2013 and December 31, 2012 was approximately $70 million.

Commercial and Industrial Loans

Total commercial and industrial loans at March 31, 2013 were $9.05 billion, or 46.7% of the total loan portfolio compared to $9.10 billion, or 46.6% of the total loan portfolio at December 31, 2012 and $8.94 billion, or 45.0% of the total loan portfolio at March 31, 2012. This portfolio is currently concentrated on small to middle market commercial and industrial lending disbursed throughout a diverse group of industries in the Southeast, including health care, finance and insurance, manufacturing, construction, real estate leasing, and retail trade shown in the following table. The portfolio is relationship focused and, as a result, Synovus' lenders have in-depth knowledge of the borrowers, most of which have guaranty arrangements. Commercial and industrial loans are primarily originated through Synovus' local market banking divisions and made to commercial customers primarily to finance capital expenditures, including real property, plant and equipment, or as a source of working capital. In accordance with Synovus' uniform lending policy, each loan undergoes a detailed underwriting process which incorporates uniform underwriting standards and oversight in proportion to the size and complexity of the lending relationship. Approximately 93% of Synovus' commercial and industrial loans are secured by real estate, business equipment, inventory, and other types of collateral.

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Commercial and Industrial Loans by Industry	March 31, 2013			December 31, 2012		
(dollars in thousands)	Amount	%(1)		Amount	%(1)	
Health care and social assistance	$1,405,078	15.5	%	1,357,185	14.9	%
Manufacturing	808,583	8.9		767,371	8.4	
Real estate other	764,247	8.4		771,487	8.5	
Retail trade	661,083	7.3		664,524	7.3	
Wholesale trade	577,248	6.4		567,538	6.2	
Real estate leasing	546,575	6.0		578,695	6.4	
Finance and insurance	503,965	5.6		529,120	5.8	
Construction	448,945	5.0		485,936	5.3	
Accommodation and food services	449,254	5.0		451,130	5.0	
Professional, scientific, and technical services	418,416	4.6		418,756	4.6	
Agriculture, forestry, fishing, and hunting	287,742	3.2		290,762	3.2	
Educational services	221,716	2.5		221,775	2.4	
Transportation and warehousing	192,669	2.1		205,038	2.3	
Arts, entertainment, and recreation	175,553	1.9		182,190	2.0	
Other services	891,833	9.9		967,193	10.6	
Other industries	694,037	7.7	%	642,814	7.1	%
Total commercial and industrial loans	$9,046,944	100.0	%	9,101,514	100.0	%

(1) Loan balance in each category expressed as a percentage of total commercial and industrial loans.

Commercial and industrial lending is a key component of Synovus' growth and diversification strategy (reducing overall concentration in CRE and growing the percentage of C&I loans relative to the total loan portfolio). Synovus has actively invested in additional expertise, product offerings, and product quality to provide its commercial and industrial clients with increased and enhanced product offerings and customer service. Complementing this investment in C&I growth, Synovus' management continues to focus on streamlining and enhancing Synovus' existing product lines, especially for traditional retail, small business, and professional services customers.

The Corporate Banking Group provides lending solutions to larger corporate clients and includes specialty units such as syndications and senior housing. These units partner with Synovus' local bankers to build relationships across the five-state footprint, as well as the southeastern and southwestern United States. To date, loan syndications consist primarily of loans where Synovus is participating in the credit (versus the lead bank). Senior housing loans are typically extended to borrowers in the assisted living or skilled nursing facilities sectors. The Corporate Banking Group also originates loans and participates in loans to well-capitalized public companies and larger private companies that operate in the five-state footprint as well as other states in the Southeast. The Corporate Banking Group had total loans outstanding (net of existing loans transferred into these business lines) of $1.37 billion at March 31, 2013, and grew $158.3 million from December 31, 2012.

At March 31, 2013, $3.83 billion of total commercial and industrial loans, or 19.8% of the total loan portfolio, represented loans originated for the purpose of financing owner-occupied properties. The primary source of repayment on these loans is revenue generated from products or services offered by the business or organization. The secondary source of repayment on these loans is the real estate. These loans are predominately secured by owner-occupied properties and other real estate. Other types of collateral securing these loans consist primarily of marketable equipment, marketable inventory, accounts receivable, equity and debt securities, and time deposits.

At March 31, 2013, $5.22 billion of total commercial and industrial loans, or 27.0% of the total loan portfolio, represented loans originated for the purpose of financing commercial, financial, and agricultural business activities. The primary source of repayment on these loans is revenue generated from products or services offered by the business or organization. The secondary source of repayment is the collateral, which consists primarily of equipment, inventory, accounts receivable, time deposits, and other business assets.

Commercial Real Estate Loans

Commercial real estate loans consist of investment properties loans, 1-4 family properties loans, and land acquisition loans. Commercial real estate loans are primarily originated through Synovus' local market banking divisions. These loans are subject to the same uniform lending policies referenced above. Total commercial real estate loans, which represent 32.8% of the total loan

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portfolio at March 31, 2013, were $6.36 billion, a decline of $86.7 million or 5.5% annualized from December 31, 2012 primarily as a result of pay-downs, charge-offs, and loan sales.

Investment Properties Loans

Total investment properties loans as of March 31, 2013 were $4.36 billion, or 68.6% of the total commercial real estate portfolio and 22.5% of the total loan portfolio, compared to $4.38 billion or 67.9% of the total commercial real estate portfolio, and 22.4% of the total loan portfolio at December 31, 2012. Investment properties loans consist of construction and mortgage loans for income producing properties and are primarily made to finance multi-family properties, hotels, office buildings, shopping centers, warehouses, and other commercial development properties. Synovus' investment properties portfolio is well diversified with no concentration by property type, geography (other than the fact that most of these loans are in Synovus' primary market areas of Georgia, Alabama, Tennessee, South Carolina, and Florida), or tenants. These loans have been underwritten with stressed interest rates and vacancies and are generally recourse in nature with short-term maturities (three years or less) allowing for restructuring opportunities that reduce Synovus' overall risk exposure. The investment properties loans are primarily secured by the property being financed by the loans; however, these loans may also be secured by real estate or other assets beyond the property being financed. Synovus completes semi-annual reviews of all investment properties loans of $1 million or more in order to more closely monitor the performance of the portfolio.

1-4 Family Properties Loans

At March 31, 2013, 1-4 family properties loans totaled $1.24 billion, or 19.4% of the total commercial real estate portfolio and 6.4% of the total loan portfolio, compared to $1.28 billion, or 19.8% of the total commercial real estate portfolio and 6.5% of the total loan portfolio at December 31, 2012. 1-4 family properties loans include construction loans to homebuilders, commercial mortgage loans to real estate investors, and residential development loans to developers and are almost always secured by the underlying property being financed by such loans. These properties are primarily located in the markets served by Synovus. Underwriting standards for these types of loans include stricter approval requirements as well as more stringent underwriting standards than current regulatory guidelines. Construction and residential development loans are generally interest-only loans and typically have maturities of three years or less, and 1-4 family rental properties generally have maturities of three to five years, with amortization periods of up to fifteen to twenty years. Although housing and real estate markets in the five southeastern states within Synovus' footprint are showing signs of stabilization, Synovus has actively worked to reduce its exposure (including its exposure in historically high loss markets such as Atlanta) to these types of loans.

Residential C&D Loans

Total residential C&D loans (consisting of 1-4 family construction loans and residential development loans) were $370.5 million at March 31, 2013, a decline of $42.8 million from December 31, 2012. Synovus is not actively seeking to originate these types of loans.

Land Acquisition Loans

Total land acquisition loans were $762.6 million at March 31, 2013, or 3.9% of the total loan portfolio, a decline of 16.2% annualized from December 31, 2012. Land acquisition loans are secured by land held for future development, typically in excess of one year. These loans have short-term maturities and are typically unamortized. Land securing these loans is substantially within the Synovus footprint, and loan terms generally include personal guarantees from the principals. Loans in this portfolio are underwritten based on the loan to value of the collateral and the capacity of the guarantor(s). Generally, the maximum loan-to-value at the time of origination or refinancing is aligned with regulatory requirements.

The table below presents total residential C&D and land acquisition loans at March 31, 2013 and December 31, 2012.

Total Residential C&D and Land Acquisition Loans	March 31, 2013			December 31, 2012		
(dollars in thousands)	Amount	Percent		Amount	Percent	
Georgia[1]	$644,822	57.9	%	$700,763	58.0	%
Florida	160,664	14.4		165,682	13.7	
South Carolina	157,233	14.1		157,217	13.0	
Tennessee	17,302	1.6		21,951	1.8	

Alabama	133,019	12.0		161,919	13.4	
Total Residential C&D and Land Acquisition Loans	$1,113,040	100.0	%	$1,207,532	100.0	%

(1) Atlanta represents $243.7 million or 21.5% at March 31, 2013 and $253.8 or 21.0% at December 31, 2012.

Retail Loans

Retail loans at March 31, 2013 totaled $3.98 billion, representing 20.5% of the total loan portfolio compared to $4.01 billion, or 20.5% of the total loan portfolio at December 31, 2012. Small business loans at March 31, 2013 totaled $553.1 million, an

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increase of $36.7 million or 28.8% annualized compared to December 31, 2012. The increase in small business loans is partially due to a reclassification of loans, which are now underwritten using a business credit scoring system and thus is reported as small business loans, a component of retail loans. During the three months ended March 31, 2013, approximately $16 million of these loans were reclassified from the C&I portfolio to retail small business loans. As these small business loans included as a component of commercial and industrial loans are renewed or refinanced, they will be classified as small business loans as a component of retail loans.

The retail loan portfolio consists of a wide variety of loan products offered through Synovus' banking network, including first and second residential mortgages, HELOCs, credit card, automobile, small business, and other retail loans. The majority of Synovus' retail loans are consumer mortgages and home equity lines secured by first and second liens on residential real estate primarily located in the markets served by Synovus in Georgia, Florida, South Carolina, Alabama, and Tennessee. Credit card loans totaled $251.6 million at March 31, 2013, including $57.3 million of commercial credit card loans. These commercial credit card loans relate to Synovus' commercial and small business customers who utilize corporate credit cards for various business activities.

Retail loans are subject to uniform lending policies and consist primarily of loans with strong borrower credit scores (most recently measured as of December 31, 2012). Weighted-average FICO scores within the residential real estate portfolio were 757 for HELOC and 735 for consumer mortgages as of December 31, 2012. Conservative debt-to-income ratios (average debt to income ratio of loans originated) were maintained in the first quarter of 2013 at 26.6%, as compared to 27.1% in the fourth quarter of 2012. Utilization rates (total amount outstanding as a percentage of total available lines) of 60.9% and 61.7% at March 31, 2013 and December 31, 2012, respectively, and loan-to-value ratios based upon prudent guidelines were maintained to ensure consistency with Synovus' overall risk philosophy. Apart from credit card loans and unsecured loans, Synovus does not originate loans with LTV ratios greater than 100% at origination except for infrequent situations provided that certain underwriting requirements are met. Additionally, at origination, loan maturities are determined based on the borrower's ability to repay (cash flow or earning power of the borrower that represents the primary source of repayment) and the collateralization of the loan, including the economic life of the asset being pledged. Collateral securing these loans provides a secondary source of repayment in that the collateral may be liquidated. Synovus determines the need for collateral on a case-by-case basis. Factors considered include the purpose of the loan, current and prospective credit-worthiness of the customer, terms of the loan, and economic conditions.

Risk levels 1-6 (descending) are assigned based upon a risk score matrix. At least annually, the retail loan portfolio data is sent to a consumer credit reporting agency for a refresh of customers' credit scores. The most recent credit score refresh was completed as of December 31, 2012. Revolving lines of credit are regularly reviewed for any material change in financial circumstances, and when appropriate, the line of credit may be suspended.

Sub-prime loans are not a part of Synovus' retail lending strategy, and Synovus does not currently develop or offer specific sub-prime, alt-A, no documentation or stated income retail residential real estate loan products. Synovus estimates that, as of March 31, 2013, it has approximately $144 million of retail residential real estate loans (5.0% of the retail portfolio and 0.8% of the total loan portfolio) that could be considered sub-prime. Synovus makes retail residential real estate lending decisions based upon a number of key credit risk determinants including credit scores, bankruptcy predictor scores, loan-to-value ratios, and debt-to-income ratios. Through its mortgage banking subsidiary, Synovus previously originated Fannie Mae alt-A loans which were generally sold into the secondary market. Synovus no longer originates such loans, and as of March 31, 2013 has $1.2 million of such loans remaining on its balance sheet.

Prior to July 2009, Synovus' loan policy did not specifically prohibit the origination of no documentation or stated income loans as long as such loans were supported by other risk mitigating criteria including, but not limited to, an established banking relationship history, significant cash on deposit, and/or compensating loan-to-value or debt-to-income ratios. Since July 2009, Synovus has continued to refine its retail residential real estate origination policy, and no non-government sponsored limited documentation or stated income loans are permitted to be made unless an exception is granted, and only if supplemented by the mitigating criteria previously noted. While Synovus does not currently offer specific no documentation or stated income retail residential real estate loan products, loans with these characteristics could have been issued under the previous loan policy or as an exception under the current loan policy, primarily to individuals with existing banking relationships. Synovus does not believe it has originated a significant dollar amount of such loans and does not believe that extending such loans has had a significant negative impact on the credit quality of the portfolio.

Synovus has applied the Interagency Supervisory Guidance on Allowance for Loan and Lease Losses Estimation Practices for Loans and Lines of Credit Secured by Junior Liens on 1-4 Family Residential Properties published January 31, 2012. The guidance states that institutions should ensure that during the ALL estimation process, sufficient information is gathered to adequately assess the probable loss incurred within junior lien portfolios, and when an institution does not own or service the associated senior lien loans, it should use reasonably available tools to determine the payment status of the senior lien loans. Semi-annually, Synovus assesses the junior liens on loans secured by 1-4 family residential properties. Approximately $1 million in junior liens was classified as loss during the second half of 2012 upon implementation of this guidance. Synovus continues to enhance the process for obtaining available information on the payment status of senior liens associated with its junior liens on loans secured by 1-4 family residential properties. During the first quarter of 2013, primarily as a result of additional information regarding the senior liens, approximately $3 million in junior liens was classified as loss.

During the third quarter of 2012, the OCC issued accounting guidance on single family residential loans discharged in Chapter 7 bankruptcy that were not reaffirmed by the borrower. The guidance requires these loans to be classified as TDRs, regardless of payment performance, and the collateral deficiency to be classified as loss. Based on this guidance, approximately $4 million in loans were classified as accruing TDRs in 2012. For the three months ended March 31, 2013, there was no impact to accruing TDRs. The impact to the ALL for the adoption of this guidance was insignificant. Loans within the scope of this guidance that are less than 90 days past due were generally classified as accruing TDR's, and loans 90 days or more past due are generally classified as non-accruing TDR's.

Monitoring of Collateral

Synovus follows a risk-based approach as it relates to the credit monitoring processes for its loan portfolio. Synovus updates the fair value of the real estate collateral securing collateral-dependent impaired loans each calendar quarter, with appraisals generally received on an annual basis, or sooner if appropriate, from an independent unaffiliated certified or licensed appraiser. Management also considers other factors or recent developments, such as selling costs and anticipated sales values considering management’s plans for disposition, which could result in adjustments to the collateral value estimates indicated in the appraisals. Synovus updates the values of collateral that are in the form of accounts receivable, inventory, equipment, and cash surrender value of life insurance policies at least annually and the values of collateral that are in the form of marketable securities and brokerage accounts at least quarterly.

It is the Company's policy to obtain, on at least an annual basis, an updated appraisal from an independent, unaffiliated certified or licensed appraiser for loan relationships of $1 million and over when at least one of the loans in the relationship is on non-accrual status. For relationships under $1 million, while independent appraisals are not mandated by the Company's policies, management will obtain such appraisals when considered prudent. For credits that are not on impaired status, Synovus generally obtains an unaffiliated third-party appraisal of the value of the real estate collateral prior to each loan renewal. Additionally, if conditions warrant (e.g., loans that are not considered impaired but exhibit a higher or potentially higher risk), Synovus engages an unaffiliated appraiser to reappraise the value of the collateral on a more frequent basis. Examples of circumstances that could warrant a new appraisal on an existing performing credit include instances in which local market conditions where the real estate collateral is located have deteriorated, the collateral has experienced damage (fire, wind damage, etc.), the lease or sell-out of the collateral has not met the original projections, and the net operating income of the collateral has declined. In circumstances where the collateral is no longer considered sufficient, Synovus seeks to obtain additional collateral. Examples of adjustments made quarterly to appraised values include broker's commission, unpaid real estate taxes, attorney's fees, other estimated costs to dispose of the property, known damage to the property, known declines in the net operating income of the property or rent rolls, as well as third-party market data.

Loan Guarantees

In addition to collateral, Synovus generally requires a guarantee from all principals on all commercial real estate and commercial and industrial lending relationships. Specifically, Synovus generally obtains unlimited guarantees from any entity (e.g., individual, corporation, or partnership) that owns or controls 50% or more of the borrowing entity. Limited guarantees on a pro rata basis are generally required for all 20% or more owners.

Synovus evaluates the financial ability of a guarantor through an evaluation of the guarantor's current financial statements, income tax returns for the two most recent years, and financial information regarding a guarantor's business or related interests. In addition, to validate the support that a guarantor provides relating to a commercial real estate loan, Synovus analyzes both substantial assets owned by the guarantor to ensure that the guarantor has the necessary ownership interest and control over these assets to convert to cash, and the global cash flow of the guarantor. For loans that are not considered impaired, the allowance for loan losses is determined based on the risk rating of each loan. The risk rating incorporates a number of factors, including guarantors. If a loan is impaired, with certain limited exceptions, a guarantee is not considered in determining the amount to be charged-off.

With certain limited exceptions, Synovus seeks performance under guarantees in the event of a borrower's default. However, because of the current economic environment, and based on the fact that a majority of Synovus' problem credits are commercial real estate credits, Synovus' success in recovering amounts due under guarantees has been limited.

Other Real Estate

The carrying value of ORE was $155.2 million, $150.3 million, and $201.4 million at March 31, 2013, December 31, 2012, and March 31, 2012, respectively. As of March 31, 2013, the ORE carrying value reflects cumulative write-downs totaling approximately $154 million, or 50% of the related loans' unpaid principal balance. During the three months ended March 31,

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2013 and 2012, $31.2 million and $44.6 million, respectively, of loans and other loans held for sale were foreclosed and transferred to other real estate at fair value. During the three months ended March 31, 2013 and 2012, Synovus recognized foreclosed real estate expense, net, of $10.9 million and $23.0 million, respectively. These expenses included write-downs for declines in fair value of ORE subsequent to the date of foreclosure and net realized losses resulting from sales transactions totaling $8.8 million and $17.3 million for the three months ended March 31, 2013 and 2012, respectively.

At foreclosure, ORE is reported at the lower of cost or fair value less estimated selling costs, which establishes a new cost basis. Subsequent to foreclosure, ORE is evaluated quarterly and reported at fair value less estimated costs to sell, not to exceed the new cost basis, determined on the basis of current appraisals, comparable sales and other estimates of fair value obtained principally from independent sources, adjusted for estimated selling costs. Management also considers other factors or recent developments such as changes in absorption rates or market conditions from the time of valuation and anticipated sales values considering management's plans for disposition, which could result in an adjustment to lower the collateral value estimates indicated in the appraisals. At the time of foreclosure or initial possession of collateral, any excess of the loan balance over the fair value of the real estate held as collateral, less costs to sell, is recorded as a charge against the allowance for loan losses.

Synovus' objective is to dispose of ORE properties in a timely manner and to maximize net sale proceeds. Synovus has a centralized managed assets division, with the specialized skill set to facilitate this objective. While there is not a defined timeline for their sale, ORE properties are actively marketed through unaffiliated third parties, including real estate brokers and real estate auctioneers. Sales are made on an opportunistic basis, as acceptable buyers and terms are identified. In addition, Synovus may also decide to sell ORE properties in bulk asset sales to unaffiliated third parties, in which case the typical period of marketing the property will likely not occur. In some cases, Synovus is approached by potential buyers of ORE properties or Synovus may contact independent third parties who we believe might have an interest in an ORE property.

Deposits

Deposits provide the most significant funding source for interest earning assets. The following table shows the relative composition of deposits.

Composition of Deposits (dollars in thousands)	March 31, 2013	%[1]		December 31, 2012	%[1]		March 31, 2012	%[1]	
Non-interest bearing demand deposits	$5,152,276	25.1	%	$5,665,527	26.9	%	$5,535,844	25.0	%
Interest bearing demand deposits	3,863,174	18.8		4,016,209	19.1		3,564,409	16.1	
Money market accounts, excluding brokered deposits	6,127,945	29.8		6,136,538	29.1		6,770,924	30.6	
Savings deposits	602,970	2.9		562,717	2.7		557,524	2.5	
Time deposits, excluding brokered deposits	3,482,196	16.9		3,583,304	17.0		4,302,292	19.4	
Brokered deposits	1,332,632	6.5		1,092,749	5.2		1,406,709	6.4	
Total deposits	20,561,193	100.0		21,057,044	100.0		22,137,702	100.0	
Core deposits[2]	19,228,561	93.5		19,964,295	94.8		20,730,993	93.6	
Core deposits excluding time deposits[2]	$15,746,365	76.6	%	$16,380,991	77.8	%	$16,428,701	74.2	%

(1) Deposits balance in each category expressed as percentage of total deposits.

(2) See reconciliation of “Non-GAAP Financial Measures” in this Report.

Total deposits at March 31, 2013 decreased $495.9 million, or 9.6% annualized, from December 31, 2012. The decline in total deposits was driven primarily by reductions in non-interest bearing and interest bearing demand deposits due to expected reductions in clearing and SCM temporary accounts which were at elevated levels at year-end. Total core deposits excluding time deposits at March 31, 2013 declined $634.6 million, or 15.7% annualized, from December 31, 2012 and non-interest bearing demand deposits as a percentage of total deposits decreased to 25.1% at March 31, 2013 from 26.9% at December 31, 2012. See reconciliation of “Non-GAAP Financial Measures” in this Report.

Time deposits of $100,000 and greater at March 31, 2013, December 31, 2012 and March 31, 2012 were $3.06 billion, $2.86 billion, and $3.57 billion respectively, and included brokered time deposits of $1.13 billion, $892.3 million, and $1.18 billion, respectively. These larger deposits represented 14.9%, 13.6%, and 16.1% of total deposits at March 31, 2013, December 31, 2012,

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and March 31, 2012, respectively, and included brokered time deposits which represented 5.5%, 4.2%, and 5.3% of total deposits at March 31, 2013, December 31, 2012, and March 31, 2012, respectively.

At March 31, 2013, brokered deposits represented 6.5% of Synovus' total deposits compared to 5.2% and 6.4% of total deposits at December 31, 2012 and March 31, 2012, respectively.

As a result of the Dodd-Frank Act, effective as of December 31, 2010, unlimited FDIC insurance coverage for non-interest bearing demand transaction accounts was extended through December 31, 2012. This component of the Dodd-Frank Act served to extend unlimited insurance coverage which was initially established by the TAGP. Insurance coverage for non-interest bearing demand deposits declined to $250,000 per depositor after December 31, 2012. As of March 31, 2013, the expiration of this unlimited coverage has had a very modest effect on Synovus' deposit balances. Synovus' ability to continue to retain these deposits will depend on numerous factors, including general economic conditions and the operating performance and credit quality of Synovus. See "Part I - Item 1A. Risk Factors - Regulation of the financial services industry continues to undergo major changes, and future legislation could increase our cost of doing business or harm our competitive position" of Synovus' 2012 Form 10-K.

Net Interest Income

The following table summarizes the components of net interest income for the three months ended March 31, 2013 and 2012, including the tax-equivalent adjustment that is required in making yields on tax-exempt loans and investment securities comparable to taxable loans and investment securities. The taxable-equivalent adjustment is based on a 35% Federal income tax rate.

Net Interest Income	Three Months Ended March 31,	
(in thousands)	2013	2012
Interest income	$230,391	262,654
Taxable-equivalent adjustment	618	798
Interest income, taxable equivalent	231,009	263,452
Interest expense	30,577	41,695
Net interest income, taxable equivalent	$200,432	221,757

Non-interest Income

Total reported non-interest income for the three months ended March 31, 2013 was $64.7 million, down 23.1%, or $19.4 million due to net investment securities gains of $20.1 million recorded during the three months ended March 31, 2012. Excluding net investment securities gains, non-interest income increased $620 thousand or 1.0% during the three months ended March 31, 2013 compared to the same period a year ago.

The following table shows the principal components of non-interest income.

Non-interest Income	Three Months Ended March 31,	
(in thousands)	2013	2012
Service charges on deposit accounts	$19,521	18,231
Fiduciary and asset management fees	10,971	10,835
Brokerage revenue	7,594	6,647
Mortgage banking income	6,917	6,003
Bankcard fees	7,064	7,579
Investment securities gains, net	45	20,083
Other fee income	5,487	4,700
(Decrease) increase in fair value of private equity investments, net	(257)	93
Other non-interest income	7,379	9,968
Total non-interest income	$64,721	84,139

Principal Components of Non-interest Income

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Service charges on deposit accounts for the three months ended March 31, 2013 were $19.5 million, up $1.3 million or 7.1%, from $18.2 million for the three months ended March 31, 2012. Service charges on deposit accounts consist of NSF fees, account analysis fees, and all other service charges. NSF fees for the three months ended March 31, 2013 were $8.5 million, compared to $9.2 million for the same period a year earlier, a decrease of $663 thousand, or 7.2%. Approximately one half of the decline was due to two less business days than the first quarter of 2012; the remaining decline was due to fewer NSF transactions. Account analysis fees were $5.5 million and $5.2 million for the three months ended March 31, 2013 and March 31, 2012, respectively, up $289 thousand, or 5.5%. All other service charges on deposit accounts, which consist primarily of monthly fees on retail demand deposit and saving accounts, were $5.5 million and $3.8 million for the three months ended March 31, 2013 and March 31, 2012, respectively, up $1.7 million, or 43.7%.

Fiduciary and asset management fees are derived from providing estate administration, employee benefit plan administration, personal trust, corporate trust, corporate bond, investment management and financial planning services. Fiduciary and asset management fees were $11.0 million and $10.8 million for the three months ended March 31, 2013 and March 31, 2012, respectively, up $136 thousand, or 1.3%.

Brokerage revenue was $7.6 million and $6.6 million, respectively, for the three months ended March 31, 2013 and 2012. Brokerage revenue increased $947 thousand or 14.2% for the three months ended March 31, 2013 compared to the same period in 2012 due to aggressive pursuit of cross-selling strategies and improved market conditions. Brokerage revenue consists primarily of brokerage commissions.

Mortgage banking income increased $914 thousand, or 15.2%, for the three months ended March 31, 2013, compared to the same period in 2012, due to reductions in provision for mortgage repurchases and higher realization on mortgage loans sold. Mortgage production volume was $281.8 million and $299.2 million for the three months ended March 31, 2013 and 2012, respectively.

Bankcard fees decreased $515 thousand, or 6.8%, for the three months ended March 31, 2013, compared to the same period in 2012. Bankcard fees consist primarily of credit card interchange fees and debit card interchange fees. Debit card interchange fees were $3.7 million and $3.9 million for the three months ended March 31, 2013 and 2012, respectively, down 5.6%. Credit card interchange fees were $4.9 million in both periods.

Other fee income includes fees for letters of credit, safe deposit box fees, access fees for automated teller machine use, customer swap dealer fees, and other miscellaneous fee-related income. Other fee income increased $787 thousand, or 16.7% for the three months ended March 31, 2013 compared to the same period in 2012.

The main components of other non-interest income are income from company-owned life insurance policies, insurance commissions, card sponsorship fees, and other miscellaneous items. Other non-interest income decreased $2.6 million, or 26.0% for the three months ended March 31, 2013 compared to the same period in 2012.

Non-interest Expense

Non-interest expense for the three months ended March 31, 2013 decreased by $20.8 million, or 10.3%, compared to the three months ended March 31, 2012. The decline was led by significant reductions in foreclosed real estate expense and FDIC insurance expense. Core expenses for the three months ended March 31, 2013, which exclude restructuring charges, credit costs, and Visa indemnification charges, declined $10.6 million, or 6.1%. Synovus continues to focus on increasing efficiencies while investing in new technologies and in key talent. See "Non-GAAP Financial Measures" in this Report for applicable reconciliation.

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The following table summarizes the components of non-interest expense for the three months ended March 31, 2013 and 2012.
Non-interest Expense

	Three Months Ended March 31,	
(in thousands)	2013	2012
Salaries and other personnel expense	$93,917	92,622
Net occupancy and equipment expense	24,167	26,706
FDIC insurance and other regulatory fees	8,480	14,663
Foreclosed real estate expense, net	10,940	22,972
Losses (gains) on other loans held for sale, net	165	959
Professional fees	7,095	9,267
Third-party services	9,929	9,137
Visa indemnification charges	37	2,979
Restructuring charges	4,850	858
Other operating expenses	22,706	22,970
Total non-interest expense	$182,286	203,133

Total employees were 4,794 at March 31, 2013, down 369 or 7.1%, from 5,163 employees at March 31, 2012. Salaries and other personnel expenses increased 1.4% from $92.6 million for the three months ended March 31, 2012 to $93.9 million at March 31, 2013 primarily due to annual merit increases and increases in employee insurance expense.
Net occupancy and equipment expense declined $2.5 million, or 9.5% during the three months ended March 31, 2013, compared to the same period in 2012, primarily due to savings realized from ongoing efficiency initiatives, including the closing of 10 branches during 2012.
FDIC insurance costs and other regulatory fees decreased $6.2 million, or 42.2% for the three months ended March 31, 2013, compared to the same period in 2012, due to a decline in the assessment rate and assessment base for Synovus Bank.
Foreclosed real estate costs decreased $12.0 million or 52.4% for the three months ended March 31, 2013, compared to the same period in 2012. The decline was largely a result of lower levels of write-downs due to declines in fair value of ORE, as well as lower ORE inventory due to a reduction in the level of foreclosures. For further discussion of foreclosed real estate, see the section captioned “Other Real Estate” of this Report.
During the three months ended March 31, 2013 and 2012, Synovus recognized Visa indemnification charges of $37 thousand and $3.0 million, respectively, which are related to Synovus' obligations as a member of the Visa USA network.
Restructuring charges of $4.9 million recognized during the three months ended March 31, 2013 primarily consist of severance charges. For further explanation of restructuring charges, see "Note 3 - Restructuring Charges" of this Report for further discussion.

Income Tax Expense
Income tax expense was $17.0 million for the three months ended March 31, 2013 compared to an income tax benefit of $77 thousand for the three months ended March 31, 2012. The income tax impact for the three months ended March 31, 2012 was minimal because the Company recognized reductions to the deferred tax asset valuation allowance, which offset current tax expense. Following the reversal of substantially all of the deferred tax asset valuation allowance during the fourth quarter of 2012, the Company expects to record income tax expense during 2013 at an effective tax rate of approximately 37%. The actual effective income tax rate in future periods could be affected by items that are infrequent in nature, such as new legislation and changes in the deferred tax asset valuation allowance.
At March 31, 2013, total deferred tax assets, net of valuation allowance, were $792.7 million compared to $806.4 million at December 31, 2012. Deferred tax assets and liabilities are recognized for the future tax consequences

attributable to differences between the financial statement carrying amounts and their respective tax bases, including operating losses and tax credit carryforwards. Net deferred tax assets (deferred tax assets net of deferred tax liabilities and valuation allowance) are reported on the consolidated balance sheet as a component of total assets.
Management assesses the valuation allowance recorded against deferred tax assets at each reporting period. The determination of whether a valuation allowance for deferred tax assets is appropriate, is subject to considerable judgment and requires an evaluation of all positive and negative evidence. At March 31, 2013 and December 31, 2012, the Company was in a three-year cumulative

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loss position, which represents negative evidence. However, based on the weight of all the positive and negative evidence at March 31, 2013, management has concluded that it is more likely than not that $792.7 million of the net deferred tax assets will be realized based upon future taxable income. The valuation allowance of $19.4 million and $18.7 million at March 31, 2013 and December 31, 2012, respectively, is related to specific state income tax credits and specific state NOL carryforwards that have various expiration dates through the tax year 2018 and 2028, respectively, and are expected to expire before they can be utilized.

The three-year cumulative loss position was driven by significant credit losses experienced during the recent financial crisis. While there have been significant improvements in credit quality trending, problem loans remain at elevated levels. The banking environment is expected to remain challenging due to economic and other uncertainties. Management believes it can confidently forecast future taxable income at sufficient levels over the future period of time the Company has available to realize its deferred tax assets.

Synovus expects to realize the $792.7 million in net deferred tax assets well in advance of the statutory carryforward period. At March 31, 2013, $189.3 million of existing deferred tax assets are not related to net operating losses or credits and therefore, have no expiration date. Approximately $507 million of the remaining deferred tax assets relate to federal net operating losses, which will expire in annual installments beginning in 2028 through 2032. Additionally, $69.6 million of the deferred tax assets relate to state NOLs which will expire in annual installments beginning in 2013 through 2032. Tax credit carryforwards at March 31, 2013 include federal alternative minimum tax credits totaling $19.6 million, which have an unlimited carryforward period. Other federal and state tax credits at March 31, 2013 total $26.6 million and will expire in annual installments beginning in 2013 through 2033.

Several legislative proposals have each called for lowering the current 35% federal corporate income tax rate. If the corporate income tax rate is lowered, it would reduce the value of the deferred tax assets, resulting in additional income tax expense in the period that such lower rate is enacted. Changes in future enacted income tax rates could be significant to the Company's financial position, results of operations, or cash flows.

The Tax Reform Act of 1986 contains provisions that limit the utilization of NOL carryovers if there has been an “ownership change” as defined in Section 382 of the IRC. In general, this would occur if ownership of common stock held by one or more 5% shareholders increased by more than 50 percentage points over their lowest pre-change ownership within a three year period. If Synovus experiences such an ownership change, the utilization of pre-change NOLs to reduce future federal income tax obligations could be limited. To reduce the likelihood of such an ownership change, Synovus adopted a Rights Plan in 2010 that was ratified by Synovus shareholders in 2011. The Rights Plan, as amended on April 24, 2013, will expire on April 28, 2016.

CREDIT QUALITY, CAPITAL RESOURCES AND LIQUIDITY

Credit Quality

Synovus believes that the most relevant way to assess credit quality is through an analysis of key credit quality metrics. This methodology forms the basis for the summary table below and the discussion in the subsequent sections: total credit costs, non-performing assets, NPL inflows, past due loans, TDRs, net charge-offs, provision for loan losses, and allowance for loan losses.

Synovus continuously monitors the credit quality of its loan portfolio and maintains an allowance for loan losses that management believes is sufficient to absorb probable losses inherent in its loan portfolio. Credit quality measures continued to show improvement during the first quarter of 2013.

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The table below includes selected credit quality metrics.

Credit Quality Metrics	As of and for the Three Months Ended,					
(dollars in thousands)	March 31, 2013		December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Provision for loan losses	$35,696		146,526	63,572	44,222	66,049
Other credit costs	13,595		39,236	22,046	26,119	24,849
Total credit costs	$49,291		185,762	85,618	70,341	90,898
Non-performing loans[(1)]	513,227		543,333	700,204	755,161	836,039
Impaired loans held for sale[(2)]	9,129		9,455	10,019	31,306	18,317
Other real estate	155,237		150,271	189,182	174,941	201,429
Non-performing assets[(3)]	$677,593		703,059	899,405	961,408	1,055,785
Non-performing loans as a % of total loans	2.65	%	2.78	3.55	3.84	4.21
Non-performing assets as a % of total loans, other loans held for sale, and ORE	3.47	%	3.57	4.51	4.83	5.26
NPL inflows	$83,901		262,708	114,805	124,305	139,588
Loans 90 days past due and still accruing	5,799		6,811	8,972	5,863	8,388
As a % of loans	0.03	%	0.03	0.05	0.03	0.04
Total past due loans and still accruing	$88,330		104,825	108,633	91,962	144,794
As a % of loans	0.46	%	0.54	0.55	0.47	0.73
Net charge-offs	$57,329		193,525	96,493	98,691	94,749
Net charge-offs/average loans	1.18	%	3.94	1.97	1.99	1.90
Allowance for loan losses	$351,772		373,405	420,404	453,325	507,794
Allowance for loan losses as a % of total loans	1.82	%	1.91	2.13	2.30	2.56

(1) Allowance and cumulative write-downs on non-performing loans as a percentage of unpaid principal balance was approximately 32% at both March 31, 2013 and December 31, 2012.
(2) Represent only 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.
(3) Allowance and cumulative write-downs on non-performing assets as a percentage of unpaid principal balance was 37% at March 31, 2013, compared to 39% at December 31, 2012.

Total credit costs

Total credit costs (provision for loan losses plus other credit costs which consist primarily of foreclosed real estate expense, net, provision for losses on unfunded commitments, and charges related to other loans held for sale) for the quarters ended March 31, 2013 and March 31, 2012 were $49.3 million and $90.9 million, respectively, including provision for loan losses of $35.7 million and $66.0 million, respectively, and expenses related to foreclosed real estate of $10.9 million and $23.0 million, respectively. Total credit costs were at the lowest level in over five years and declined 45.8% from the first quarter of 2012, driven by a 46.0% decrease in provision for loan losses.

Non-performing Assets

Total NPAs were $677.6 million at March 31, 2013, a $25.5 million decrease from December 31, 2012 and a $378.2 million or 35.8% from $1.06 billion at March 31, 2012. Non-performing assets, which are at their lowest levels in six years, declined for the eleventh consecutive quarter and were primarily impacted by lower NPL inflows, asset dispositions, and charge-offs. Total non-performing assets as a percentage of total loans, other loans held for sale, and other real estate were 3.47% at March 31, 2013 compared to 3.57% at December 31, 2012, and 5.26% at March 31, 2012. The total specific reserves, ORE valuation allowances, and cumulative write-downs on NPAs as a percentage of unpaid principal balance related to all NPAs at March 31, 2013 was 37%, compared to 39% at December 31, 2012. Management currently believes that NPAs and NPLs will continue on an overall downward trend throughout 2013. NPL inflows during the first quarter of 2013 were $83.9 million, the lowest level in over five years and down $55.7 million or 39.9% from the first quarter of 2012 additions of $139.6 million. NPL inflows were in line with expectations, and management currently expects NPL inflows to continue on an overall downward trend during the remainder of 2013.

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NPL Inflows by Portfolio Type

(in thousands)	Three Months Ended March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Investment properties	$12,058	79,173	34,414	36,436	14,418
1-4 family properties	20,350	17,860	19,811	19,562	26,941
Land acquisition	6,562	125,653	16,116	15,114	39,454
Total commercial real estate	38,970	222,686	70,341	71,112	80,813
Commercial and industrial	20,460	21,559	25,062	34,008	38,947
Retail	24,471	18,463	19,402	19,185	19,828
Total NPL inflows	$83,901	262,708	114,805	124,305	139,588

Past Due Loans

Loans past due 90 days or more, which based on a determination of collectability are accruing interest, are classified as past due loans. Synovus' policy prohibits making additional loans to a borrower, or any related interest of a borrower, who is on nonaccrual status except under certain workout plans and if such extension of credit aids with loss mitigation. Additionally, Synovus' policy discourages making additional loans to a borrower, or any related interest of the borrower, who has a loan that is past due as to principal or interest for more than 90 days and remains on accruing status.

As a percentage of total loans outstanding, loans 90 days past due and still accruing interest were 0.03% at both March 31, 2013 and December 31, 2012. These loans are in the process of collection, and management believes that sufficient collateral value securing these loans exists to cover contractual interest and principal payments.

Troubled Debt Restructurings

When borrowers are experiencing financial difficulties, Synovus may, in order to assist the borrowers in repaying the principal and interest owed to Synovus, make certain modifications to the borrower's loan. All loan modifications and renewals are evaluated for troubled debt restructuring (TDR) classification. In accordance with ASU 2011-02, A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring, issued in April 2011, a TDR is defined as a modification with a borrower that is experiencing financial difficulties, and Synovus has granted a financial concession that it would not normally make. The market rate concept in ASU 2011-02 states that if a borrower does not otherwise have access to funds at a market interest rates for debt with characteristics similar to those of the restructured debt, the restructuring would be considered to be at a below-market rate, which indicates that the lender may have granted a concession. Since Synovus often increases or maintains the interest rate upon renewal of a commercial loan, including renewals of loans involving borrowers experiencing financial difficulties, the market rate concept has become a significant factor in determining if a loan is classified as a TDR. All TDRs are considered to be impaired loans, and the amount of impairment, if any, is determined in accordance with ASC 310-10-35, Accounting By Creditors for Impairment of a Loan-an amendment of ASC 450-20 and ASC 310-40.

Concessions provided by Synovus in a TDR are generally made in order to assist borrowers so that debt service is not interrupted and to mitigate the potential for loan losses. A number of factors are reviewed when a loan is renewed, refinanced, or modified, including cash flows, collateral values, guarantees, and loan structures. Concessions are primarily in the form of either providing a below market interest rate given the borrower's credit risk to assist the borrower in managing cash flows, or an extension of the maturity of the loan generally for less than one year, or a period of time generally less than one year with a reduction of required principal and/or interest payments (e.g., interest only for a period of time). These types of concessions may be made during the term of a loan or upon the maturity of a loan, as a loan renewal. Multiple types of concessions may be granted concurrent with the restructuring. Renewals of loans made to borrowers experiencing financial difficulties are evaluated for TDR designation by determining if concessions are being granted, including consideration of whether the renewed loan has an interest rate that is at market, given the credit risk related to the loan. Insignificant periods of reduction of principal and/or interest payments, or one time deferrals of three months or less, are generally not considered to be financial concessions.

Further, it is generally Synovus' practice not to defer principal and/or interest for more than twelve months.
Since 2009, for consumer mortgage borrowers experiencing financial difficulties that evidence that current monthly payments are unsustainable, Synovus has been providing through its consumer real estate HAP, a below market interest rate given the borrower's credit risk and/or an extension of the maturity and amortization period beyond loan policy limits for renewed loans. All consumer loans restructured or modified under HAP are TDRs. As of March 31, 2013, there were $28.8 million in accruing TDRs that were part of the HAP program.
Non-accruing TDRs may generally be returned to accrual status if there has been a period of performance, usually at least a six month sustained period of repayment performance by the borrower. Consistent with regulatory guidance, a TDR will generally

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no longer be reported as a TDR after a period of performance and after the loan has been reported as a TDR at a year-end reporting date, and if at the time of the modification, the interest rate was at market, considering the credit risk associated with the borrower.

Accruing TDRs were $623.9 million at March 31, 2013, down 7.3% from $673.4 million at December 31, 2012. At March 31, 2013, the allowance for loan losses allocated to these accruing TDRs was $38.9 million compared to $41.4 million at December 31, 2012. Accruing TDRs are considered performing because they are performing in accordance with the restructured terms. At March 31, 2013, over 99% of accruing TDRs were current, and 58.1% or $362.5 million of accruing TDRs were graded as pass (17.2%) or special mention (40.9%) loans. At March 31, 2013, troubled debt restructurings (accruing and non-accruing) were $721.5 million, a decrease of $46.3 million or 6.0% compared to December 31, 2012.

Accruing TDRs by Risk Grade	March 31, 2013			December 31, 2012		
(dollars in thousands)	Amount	%		Amount	%	
Pass	$107,580	17.2	%	$145,435	21.6	%
Special mention	254,883	40.9		248,661	36.9	
Substandard accruing	261,437	41.9		279,287	41.5	
Total accruing TDRs	$623,900	100.0	%	$673,383	100.0	%

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Accruing TDRs Aging and Allowance for Loan Losses by Portfolio Class

	March 31, 2013				
(in thousands)	Current	30-89 Days Past Due	90+ Days Past Due	Total	Allowance for Loan Losses
Investment properties	$176,340	164	—	176,504	9,361
1-4 family properties	100,354	—	—	100,354	8,862
Land acquisition	81,335	—	—	81,335	6,885
Total commercial real estate	358,029	164	—	358,193	25,108
Commercial and industrial	197,470	1,954	—	199,424	12,425
Home equity lines	8,689	—	—	8,689	178
Consumer mortgages	48,301	1,331	—	49,632	921
Credit cards	—	—	—	—	—
Small business	(202)	202	—	—	—
Other retail loans	7,908	54	—	7,962	263
Total retail	64,696	1,587	—	66,283	1,362
Total accruing TDRs	$620,195	3,705	—	623,900	38,895

	December 31, 2012				
(in thousands)	Current	30-89 Days Past Due	90+ Days Past Due	Total	Allowance for Loan Losses
Investment properties	$179,832	1,230	—	181,062	10,721
1-4 family properties	107,813	336	—	108,149	10,329
Land acquisition	82,234	1,557	—	83,791	5,949
Total commercial real estate	369,879	3,123	—	373,002	26,999
Commercial and industrial	231,708	3,079	—	234,787	13,018
Home equity lines	8,696	—	—	8,696	195
Consumer mortgages	47,422	1,570	—	48,992	880
Credit cards	—	—	—	—	—
Small business	2,647	686	—	3,333	184
Other retail loans	4,064	509	—	4,573	74
Total retail	62,829	2,765	—	65,594	1,333
Total accruing TDRs	$664,416	8,967	—	673,383	41,350

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Nonaccruing TDRs by Type

(in thousands)	March 31, 2013	December 31, 2012
Investment properties	$18,678	11,812
1-4 family properties	26,093	26,084
Land acquisition	27,101	31,573
Total commercial real estate	71,872	69,469
Commercial and industrial	17,779	19,053
Home equity lines	986	992
Consumer mortgages	6,046	3,352
Small business	419	1,062
Other retail loans	495	467
Total retail	7,946	5,873
Total nonaccruing TDRs	$97,597	94,395

Potential Problem Loans

Potential problem loans are defined by management as being certain performing loans with a well-defined weakness where there is known information about possible credit problems of borrowers which causes management to have concerns about the ability of such borrowers to comply with the present repayment terms of such loans. Potential problem commercial loans consist of commercial substandard accruing loans but exclude loans 90 days past due and still accruing interest and accruing TDRs classified as substandard. Synovus had $374.3 million of potential problem commercial loans at March 31, 2013 compared to $369.5 million and $685.5 million at December 31, 2012 and March 31, 2012, respectively. At March 31, 2013, the allowance for loan losses allocated to these potential problem loans was $36.1 million compared to $36.3 million and $84.9 million at December 31, 2012 and March 31, 2012, respectively. Synovus cannot predict at this time whether these potential problem loans ultimately will become non-performing loans or result in losses.

Net Charge-offs

Net charge-offs for the three months ended March 31, 2013 were $57.3 million or 1.18% as a percentage of average loans annualized, a decrease of $37.4 million or 39.5% compared to $94.7 million or 1.90% as a percentage of average loans annualized for the three months ended March 31, 2012. The decline in net charge-offs was driven by lower impairment charge-offs on existing collateral dependent impaired loans, and lower charge-offs due to a decline in both NPL inflows and asset dispositions.

The following tables show net charge-offs by loan type for the three months ended March 31, 2013 and 2012.

Net Charge-offs by Loan Type

	Three Months Ended March 31,	
(in thousands)	2013	2012
Investment properties	$12,752	17,467
1-4 family properties	3,003	16,324
Land for future development	16,918	14,166
Total commercial real estate	32,673	47,957
Commercial and industrial	12,639	33,804
Retail	12,017	12,988
Total net charge-offs	$57,329	94,749

Provision for Loan Losses and Allowance for Loan Losses

For the three months ended March 31, 2013, the provision for loan losses was $35.7 million, a decrease of $30.4 million or 46.0% compared to the three months ended March 31, 2012. This decrease in the provision for loan losses was primarily a result of the following:

- Reduced net loan charge-offs by $37.4 million or 39.5% from $94.7 million for the three months ended March 31, 2012 to $57.3 million for the three months ended March 31, 2013;

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- Reduced NPL inflows by $55.7 million or 39.9% from $139.6 million for the three months ended March 31, 2012 to $83.9 million for the three months ended March 31, 2013;
- Reduced loans rated special mention by $695.1 million or 35.4% from $1.97 billion at March 31, 2012 to $1.27 billion at March 31, 2013; and
- Pass rated loans as a percentage of total loans were 87.4% at March 31, 2013 compared to 80.5% at March 31, 2012.

The allowance for loan losses at March 31, 2013 was $351.8 million or 1.82% of total loans compared to $373.4 million or 1.91% of total loans at December 31, 2012 and $507.8 million or 2.56% of total loans at March 31, 2012. The decrease in the allowance for loan losses is primarily due to continued improvement in credit quality trends, which includes reduced NPL inflows, NPLs and net charge-offs.
A substantial number of Synovus' loans are secured by real estate located in five southeastern states (Georgia, Alabama, Florida, South Carolina, and Tennessee). Accordingly, the ultimate collectability of a substantial part of Synovus' loan portfolio is susceptible to changes in market conditions in these areas. Based on current information and market conditions, management believes that the allowance for loan losses is adequate.

Capital Resources
Synovus has always placed great emphasis on maintaining a solid capital base and continues to satisfy applicable regulatory capital requirements. Management is committed to maintaining a capital level sufficient to assure shareholders, customers, and regulators that Synovus is financially sound.
The following table presents certain ratios used to measure Synovus and Synovus Bank's capitalization.
Capital Ratios

(dollars in thousands)	March 31, 2013		December 31, 2012
Tier 1 capital[(1)]			
Synovus Financial Corp.	$2,866,490		2,832,244
Synovus Bank	3,241,436		3,173,530
Tier 1 common equity[(1)]			
Synovus Financial Corp.	1,896,485		1,864,917
Total risk-based capital			
Synovus Financial Corp.	3,493,091		3,460,998
Synovus Bank	$3,506,871		3,441,364
Tier 1 capital ratio[(1)]			
Synovus Financial Corp.	13.50	%	13.24
Synovus Bank	15.33		14.88
Tier 1 common equity ratio[(1)]			
Synovus Financial Corp.	8.93		8.72
Total risk-based capital to risk-weighted assets ratio			
Synovus Financial Corp.	16.45		16.18
Synovus Bank	16.58		16.14
Leverage ratio			
Synovus Financial Corp.	11.27		11.00
Synovus Bank	12.80		12.41
Tangible common equity to tangible assets ratio [(1)]			
Synovus Financial Corp.	9.89	%	9.66

(1) See reconciliation of “Non-GAAP Financial Measures” in this Report.
As a financial holding company, Synovus and its subsidiary bank, Synovus Bank, are required to maintain capital levels required for a well-capitalized institution as defined by federal banking regulations. The capital measures used by the federal

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banking regulators include the total risk-based capital ratio, the Tier 1 risk-based capital ratio, and the leverage ratio. Synovus Bank is a state-chartered bank under the regulations of the GA DBF. Under applicable regulations, Synovus Bank is well-capitalized if it has a total risk-based capital ratio of 10% or greater, a Tier 1 capital ratio of 6% or greater, a leverage ratio of 5% or greater, and is not subject to any written agreement, order, capital directive, or prompt corrective action directive from a federal and/or state banking regulatory agency to meet and maintain a specific capital level for any capital measure. However, even if Synovus Bank satisfies all applicable quantitative criteria to be considered well-capitalized, the regulations also establish procedures for “downgrading” an institution to a lower capital category based on supervisory factors other than capital. In June 2010, Synovus Bank entered into a MOU with the FDIC and the GA DBF agreeing to maintain a minimum leverage ratio of 8% and a minimum total risk-based capital to risk-weighted assets ratio of 10%. Management believes that, as of March 31, 2013, Synovus and Synovus Bank meet all capital requirements to which they are subject. See reconciliation of "Non-GAAP Financial Measures" in this Report.

As of March 31, 2013, Synovus and Synovus Bank's capital have been favorably impacted by seven and eight consecutive quarters of profitability, respectively. At March 31, 2013, based on the assessment of all the positive and negative evidence, management concluded that it is more likely than not that $792.7 million of the net deferred tax asset will be realized based upon future taxable income. While there are limitations on the inclusion of deferred tax assets for regulatory capital based on Tier 1 capital levels and projected future earnings, the recent reversal of the valuation allowance favorably impacted capital. The DTA limitation will continue to decrease over time, thus creating additional regulatory capital in future periods. As of March 31, 2013, the amount of disallowed deferred tax assets was $687.0 million, compared to $710.5 million at December 31, 2012. See “Part I - Item 1A. Risk Factors - While we recently reversed the valuation allowance for our deferred tax assets, we may not be able to realize these assets in the future and they may be subject to additional valuation allowances, which could adversely affect our operating results and regulatory capital ratios" of Synovus' 2012 Form 10-K.

While the level of credit losses has declined significantly from the peak with all key credit quality measures continuing to improve, current levels of credit losses and non-performing assets remain elevated compared to historical levels as a result of an extended period of economic downturn that impacted all segments of the United States economy. The cumulative effect of these credit losses over recent years has negatively impacted Synovus' capital position. As a result, Synovus completed a number of steps to strengthen its capital position as described below. As Synovus emerges from the financial crisis, management continuously and actively manages capital, including forecasting and stress testing in line with regulatory guidance issued in May of 2012 for both expected and more adverse economic conditions, and will pursue additional strategies designed to bolster its capital position when and as deemed necessary. If credit losses exceed management's current expectations, they could adversely impact Synovus' capital ratios.

During 2008, 2009, and 2010, Synovus completed several public offerings and other capital actions.

In December 2008, Synovus issued 967,870 shares of Series A Preferred Stock to the United States Department of the Treasury as part of the CPP, generating $967.9 million of Tier 1 Capital. During 2009 and 2010, Synovus issued an aggregate of 443,250,000 shares of Common Stock and issued 13,800,000 units of tMEDS through two public offerings. The Common Stock and tMEDS offerings increased Tier 1 common equity by $1.61 billion. On May 15, 2013, each tMED will automatically settle and Synovus will issue up to 122,848,968 shares of Common Stock plus cash in lieu of any fractional shares to holders of the tMEDS as of the settlement date. See "Part II - Item 8. Financial Statements and Supplementary Data - Notes 13 - Equity" and "Note 14 - Regulatory Capital" of Synovus' 2012 Form 10-K for further information regarding the 2009 and 2010 Common Stock offerings, tMEDS offering, and other actions taken to bolster capital.

In June 2012, the U.S. banking regulatory agencies released three NPRs to revise regulatory capital rules for U.S. banking organizations and align them with the Basel III capital standards. The NPRs are also designed to comply with various aspects of the Dodd-Frank Act. Two of the NPRs would apply to Synovus and have broad applicability to U.S. banking organizations regardless of size, with the exception of small bank holding companies (assets of less than $500 million). The proposed rules establish more stringent capital standards through more restrictive capital definitions, higher risk-weighted assets, additional capital buffers, and higher requirements for minimum capital ratios. However, on November 9, 2012, regulators announced that the implementation of these rules would be delayed and did not provide a specific time frame for their implementation. Synovus is currently reviewing the proposed rules and the impact these changes would have on regulatory capital.

Management currently believes, based on internal capital analyses and earnings projections, that Synovus' capital position is adequate to meet current and proposed regulatory minimum capital requirements. However, Synovus continues to actively monitor economic conditions, evolving industry capital standards, and changes in regulatory standards and requirements, and engages in regular discussions with its regulators regarding capital at both Synovus and Synovus Bank. Synovus Bank's classified assets, as a percentage of Tier 1 capital and the allowance for loan losses, declined to 36.68% at March 31, 2013, compared to 38.07% at December 31, 2012. Synovus Financial Corp.'s classified asset ratio was 43.45% at March 31, 2013 compared to 44.83% at December 31, 2012. As part of its ongoing management of capital, Synovus will continue to identify, consider, and pursue additional strategic initiatives to bolster its capital position as deemed necessary, including strategies in connection with the Company's repayment of TARP and strategies that may be required to meet the requirements of Basel III and other regulatory initiatives regarding capital. Management currently expects to repay TARP during the third quarter of 2013, subject to regulatory approval.

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Dividends

Synovus has historically paid a quarterly cash dividend to the holders of its Common Stock. Management closely monitors trends and developments in credit quality, liquidity (including dividends from subsidiaries), financial markets and other economic trends, as well as regulatory requirements regarding the payment of dividends, all of which impact Synovus’ capital position. Management will continue to periodically review dividend levels to determine if they are appropriate in light of these factors and the restrictions on payment of dividends described below and on "Part II - Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Repurchases of Equity Securities - Dividends" of Synovus' 2012 Form 10-K. Synovus' ability to pay dividends is partially dependent upon dividends and distributions that it receives from its bank and non-banking subsidiaries, which are restricted by various regulations administered by federal and state bank regulatory authorities. Synovus' ability to receive dividends from Synovus Bank in future periods will depend on a number of factors, including, without limitation, Synovus Bank's future profits, asset quality and overall financial condition.

As previously disclosed in "Part I - Item 1A - Risk Factors - We presently are subject to, and in the future may become subject to, supervisory actions and enhanced regulation that could have a material negative effect on our business, reputation, operating flexibility, financial condition and the value of our Common Stock” of Synovus' 2012 Form 10-K, Synovus has been a party to the Synovus MOU with the Atlanta Fed and the GA DBF since 2009. The Atlanta Fed and the GA DBF terminated the Synovus MOU effective as of April 22, 2013. The Synovus MOU was replaced with a resolution adopted by Synovus' Board of Directors relating to, among other things, continued emphasis on improving asset quality and maintaining strong levels of capital and liquidity. Synovus is required to inform and consult with the applicable regulatory agencies in advance of declaring or paying any future dividends, and those regulatory agencies could decide at any time that paying any dividends could be an unsafe or unsound banking practice. The Federal Reserve Board has indicated that bank holding companies should carefully review their dividend policy and has in some cases discouraged payment unless both asset quality and capital are very strong. In addition, pursuant to the terms of the Synovus Bank MOU, Synovus Bank cannot pay any cash dividends without the approval of the FDIC and the Georgia Commissioner.

Synovus is also subject to contractual restrictions that limit its ability to pay dividends if there is an event of default under such contract. Synovus is presently subject to, and in the future may become subject to, additional supervisory actions and/or enhanced regulation that could have a material negative effect on business, operating flexibility, financial condition, and the value of its Common Stock. See "Part I - Item 1. Business - Supervision, Regulation and Other Factors - Dividends," "Part I - Item 1A. Risk factors - "We presently are subject to, and in the future may become subject to, supervisory actions and enhanced regulation that could have a material negative effect on our business, reputation, operating flexibility, financial condition and the value of our Common Stock" and "We may be unable to pay dividends on our Common Stock” of Synovus' 2012 Form 10-K for additional information regarding dividends on Synovus stock.

Synovus declared and paid dividends of $0.01 per common share for the three months ended March 31, 2013 and 2012, respectively. In addition to dividends paid on its Common Stock, Synovus paid dividends of $12.1 million to the Treasury on its Series A Preferred Stock during both the three months ended March 31, 2013 and 2012.

Liquidity

Liquidity represents the extent to which Synovus has readily available sources of funding needed to meet the needs of depositors, borrowers and creditors, to support asset growth, and to otherwise sustain operations of Synovus and its subsidiaries, at a reasonable cost, on a timely basis, and without adverse consequences. ALCO monitors Synovus' economic, competitive, and regulatory environment and is responsible for measuring, monitoring, and reporting on liquidity and funding risk, interest rate risk, and market risk and has the authority to establish policies relative to these risks. ALCO, operating under liquidity and funding policies approved by the Board of Directors, actively analyzes contractual and anticipated cash flows in order to properly manage Synovus’ liquidity position.

Contractual and anticipated cash flows are analyzed under normal and stressed conditions to determine forward looking liquidity needs and sources. Synovus analyzes liquidity needs under various scenarios of market conditions and operating performance. This analysis includes stress testing and measures expected sources and uses of funds under each scenario. Emphasis is placed on maintaining numerous sources of current and potential liquidity to allow Synovus to meet its obligations to depositors, borrowers, and creditors on a timely basis.

Liquidity is generated primarily through maturities and repayments of loans by customers, maturities and sales of investment securities, deposit growth, and access to sources of funds other than deposits. Management continuously monitors and maintains appropriate levels of liquidity so as to provide adequate funding sources to meet estimated customer deposit withdrawals and future loan requests. Liquidity is also enhanced by the acquisition of new deposits. Each of the banking divisions monitors deposit

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flows and evaluates alternate pricing structures in an effort to retain and grow deposits. Customer confidence is a critical element in growing and retaining deposits. In this regard, Synovus' asset quality could play a larger role in the stability of the deposit base. In the event asset quality declines significantly from its current level, the ability to grow and retain deposits could be diminished, which in turn could reduce deposits as a liquidity source.

As a result of the Dodd-Frank Act, effective as of December 31, 2010, unlimited FDIC insurance coverage for non-interest bearing demand transaction accounts was extended through December 31, 2012. This component of the Dodd-Frank Act served to extend unlimited insurance coverage which was initially established by the TAGP. Insurance coverage for non-interest bearing demand deposits declined to $250,000 per depositor after December 31, 2012. As of the filing date of this Report, the expiration of this unlimited coverage has had a very modest effect on Synovus' deposit balances. Synovus' ability to continue to retain these deposits will depend on numerous factors, including general economic conditions and the operating performance and credit quality of Synovus. See "Part I - Item 1A. Risk Factors - Regulation of the financial services industry continues to undergo major changes, and future legislation could increase our cost of doing business or harm our competitive position" of Synovus' 2012 Form 10-K.

Synovus Bank also generates liquidity through the national deposit markets. Synovus Bank issues longer-term certificates of deposit across a broad geographic base to increase its liquidity and funding position. Access to these deposits could become more limited if Synovus Bank's asset quality and financial performance were to significantly deteriorate. Synovus Bank has the capacity to access funding through its membership in the FHLB System. At March 31, 2013, Synovus Bank had access to incremental funding, subject to available collateral and FHLB credit policies, through utilization of FHLB advances.

In addition to bank level liquidity management, Synovus must manage liquidity at the Parent Company for various operating needs including potential capital infusions into subsidiaries, the servicing of debt, the payment of dividends on our Common Stock and Series A Preferred Stock, and payment of general corporate expenses. The primary source of liquidity for Synovus consists of dividends from Synovus Bank which is governed by certain rules and regulations of the GA DBF and FDIC. Dividends from Synovus Bank in 2010 were $43.9 million. During 2012 and 2011, Synovus Bank did not pay dividends to the Parent Company. Synovus' ability to receive dividends from Synovus Bank in future periods will depend on a number of factors, including, without limitation, Synovus Bank's future profits, asset quality and overall condition. See "Part I - Item 1A. Risk Factors - Changes in the cost and availability of funding due to changes in the deposit market and credit market, or the way in which we are perceived in such markets, may adversely affect our capital resources, liquidity and financial results" of Synovus' 2012 Form 10-K.

Synovus currently expects to repay TARP during the third quarter of 2013, subject to regulatory approval. Management currently expects that the largest single repayment source will be existing cash consisting primarily of dividends from Synovus Bank, which are also subject to regulatory approval. If Synovus does not receive dividends from Synovus Bank in the timeframe and in the amounts assumed in its TARP repayment assumptions, Synovus' ability to repay TARP could be delayed or adversely affected.

In 2009, Synovus entered into the Synovus MOU with the Atlanta Fed and the GA DBF. The Atlanta Fed and the GA DBF have terminated the Synovus MOU effective as of April 22, 2013. The Synovus MOU has been replaced with a resolution adopted by Synovus' Board of Directors relating to, among other things, continued emphasis on improving asset quality and maintaining strong levels of capital and liquidity. In 2010, Synovus Bank entered into the Synovus Bank MOU with the GA DBF and the FDIC. Pursuant to the terms of the Synovus Bank MOU, Synovus Bank cannot pay any cash dividends without the approval of the FDIC and the Georgia Commissioner. Based upon current discussions with the GA DBF and the FDIC, Synovus currently expects that the Bank MOU will be terminated and replaced with a resolution adopted by Synovus' Board of Directors in the near future.

On February 13, 2012, Synovus issued $300 million aggregate principal amount of the 2019 Senior Notes in a public offering for aggregate proceeds of $292.6 million, net of discount and debt issuance costs. Concurrent with this offering, Synovus announced a Tender Offer for any and all of its 2013 Notes, with a total principal amount outstanding of $206.8 million. An aggregate principal amount of $146.1 million of the 2013 Notes, representing 71% of the outstanding principal amount, were tendered in the Tender Offer. Synovus paid total consideration of $146.1 million for these notes, which was funded from a portion of the net proceeds of the 2019 Senior Notes.

Synovus has historically enjoyed a solid reputation in the capital markets and in the past few years has relied on the capital and debt markets to provide needed liquidity resources, including its public offerings completed in September 2009, May 2010 and February 2012. Despite the success of these public offerings, there can be no assurance that Synovus will be able to obtain additional new borrowings or issue additional equity on favorable terms, if at all. See "Part I – Item 1A. Risk Factors - Our status as a non-investment grade issuer and any further reductions in our credit rating could increase the cost of our funding from the capital markets and impact our liquidity” of Synovus' 2012 Form 10-K.

Synovus presently believes that the sources of liquidity discussed above, including existing liquid funds on hand, are sufficient to meet its anticipated funding needs through the near future. However, if economic conditions were to significantly deteriorate, regulatory capital requirements for Synovus or Synovus Bank increase as the result of regulatory directives or otherwise, or Synovus believes it is prudent to enhance current liquidity levels, then Synovus may seek additional liquidity from external sources.

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See "Part I – Item 1A. Risk Factors - Changes in the cost and availability of funding due to changes in the deposit market and credit market, or the way in which we are perceived in such markets, may adversely affect our capital resources, liquidity and financial results" of Synovus' 2012 Form 10-K.

Earning Assets and Sources of Funds

Average total assets for three months ended March 31, 2013 decreased $821.9 million, or 3.0%, to $26.21 billion as compared to $27.03 billion for the first three months of 2012. Average earning assets decreased $1.43 billion, or 5.7%, in the first three months of 2013 compared to the same period in 2012 and represented 90.4% of average total assets at March 31, 2013, as compared to 92.9% at March 31, 2012. The reduction in average earning assets resulted from a $592.9 million decrease in average taxable investment securities, a $466.3 million reduction in average interest bearing funds at the Federal Reserve Bank, and a $391.6 million net decrease in net loans outstanding. Average interest bearing liabilities decreased $1.3 billion, or 7.1%, to $17.22 billion in the first three months of 2013 compared to the same period in 2012. The decrease in funding sources utilized to support earning assets was driven by a $1.5 billion decrease in average interest bearing deposits partially offset by a $302.3 million increase in average long-term debt.

Net interest income for the three months ended March 31, 2013 was $199.8 million a decrease of $21.1 million, or 9.57%, compared to $221.0 million for the three months ended March 31, 2012.

The net interest margin for the three months ended March 31, 2013 was 3.43%, down 12 bps from 3.55%, for the three months ended March 31, 2012. Earning asset yields decreased by 27 bps compared to the three months ended March 31, 2012 while the effective cost of funds decreased by 15 bps. The primary factors negatively impacting earning asset yields were a 91 bps decrease in the yield on taxable investment securities and a 33 bps decline in loan yields. The investment yield decrease was due to significantly lower yields available for the reinvestment of maturing higher yielding securities and continued high levels of mortgage prepayment activity resulting in the acceleration of the amortization of mortgage security purchase premiums. Loan yield decreases were primarily driven by downward pricing of maturing and prepaid loans. Earning asset yields were positively impacted by the reduction in low yielding funds held at the Federal Reserve Bank. The effective cost of funds was positively impacted by the downward repricing of maturing certificates of deposit, a decrease in the effective cost of core money market and interest-bearing demand deposits, and a deposit mix shift from time deposits to lower-cost core deposits. As compared to the three months ended March 31, 2012, core certificates of deposit declined by 40 bps and core money market accounts declined by 16 bps. See reconciliation of "Non-GAAP Financial Measures" in this Report.

On a sequential quarter basis, net interest income decreased by $7.6 million and the net interest margin decreased by 2 bps to 3.43%. Yields on earning assets decreased 4 bps and the effective cost of funds decreased by 2 bps. Yields on earning assets were negatively impacted by a 4 bp decrease in loan yields and an 18 bp decrease in taxable investment security yields. Investment yields continued to be negatively impacted by high prepayment levels and lower yields available for reinvestment. The effective cost of funds was positively impacted by downward repricing of core and brokered time deposits.

Earning asset yields are expected to decline further, although modestly, due to current low market yields and the maturity and prepayment of older higher yielding assets. Funding costs could decline, although downward deposit repricing opportunities are becoming more limited. Current expectations are that the factors noted above will result in some further modest pressure on the net interest margin during the remainder of 2013.

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Quarterly yields earned on average interest-earning assets and rates paid on average interest-bearing liabilities for the five most recent quarters are presented below.

Average Balances, Interest, and Yields	2013		2012			
(dollars in thousands) (yields and rates annualized)	First Quarter		Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Interest Earning Assets:						
Taxable investment securities (1)	$2,984,129		3,069,000	3,495,838	3,539,376	3,577,026
Yield	1.44	%	1.62	1.67	2.11	2.35
Tax-exempt investment securities(1)(3)	$14,362		17,377	19,503	21,408	23,559
Yield (taxable equivalent)	6.34	%	6.59	6.47	6.40	6.36
Trading account assets	$8,629		9,600	12,343	13,647	14,975
Yield	7.12	%	8.15	8.27	6.93	7.47
Commercial loans(2)(3)	$15,464,065		15,692,588	15,691,881	15,941,719	16,144,615
Yield	4.46	%	4.48	4.63	4.67	4.76
Consumer loans(2)	$3,997,557		3,992,986	3,940,000	3,896,941	3,866,084
Yield	4.73	%	4.75	4.80	4.87	4.95
Allowance for loan losses	$(372,239)		(405,237)	(446,495)	(498,419)	(529,669)
Loans, net (2)	$19,089,383		19,280,337	19,185,386	19,340,241	19,481,030
Yield	4.61	%	4.65	4.79	4.85	4.94
Mortgage loans held for sale	$179,507		208,839	175,199	90,499	112,040
Yield	3.80	%	3.72	4.03	4.99	4.88
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	$1,343,652		1,366,422	1,215,743	1,668,814	1,830,295
Yield	0.24	%	0.24	0.24	0.24	0.24
Federal Home Loan Bank and Federal Reserve Bank Stock (4)	$65,330		66,630	53,239	63,665	78,100
Yield	2.36	%	2.03	1.87	1.85	1.43
Total interest earning assets	$23,684,992		24,018,205	24,157,251	24,737,650	25,117,025
Yield	3.95	%	3.99	4.09	4.14	4.22
Interest Bearing Liabilities:						
Interest bearing demand deposits	$3,839,707		3,872,025	3,344,561	3,404,540	3,540,327
Rate	0.18	%	0.18	0.19	0.22	0.25
Money Market accounts	$6,135,649		6,251,374	6,751,607	6,769,037	6,755,769
Rate	0.33	%	0.33	0.33	0.42	0.49
Savings deposits	$581,792		558,726	557,086	557,149	534,118
Rate	0.11	%	0.10	0.10	0.11	0.12
Time deposits under $100,000	$1,581,092		1,648,554	1,763,864	1,868,348	1,967,084
Rate	0.69	%	0.74	0.85	0.97	1.08
Time deposits over $100,000	$1,958,870		2,015,582	2,176,488	2,336,496	2,480,044
Rate	0.93	%	0.99	1.11	1.23	1.33
Brokered money market accounts	$202,734		180,216	186,336	222,916	223,113
Rate	0.32	%	0.34	0.33	0.33	0.28
Brokered time deposits	$1,013,461		800,434	820,908	1,036,521	1,346,868
Rate	0.99	%	1.42	1.83	1.94	1.89
Total interest bearing deposits	$15,313,305		15,326,911	15,600,850	16,195,007	16,847,323
Rate	0.44	%	0.47	0.54	0.64	0.73
Federal funds purchased and other short-term liabilities	$214,661		266,431	350,183	368,984	296,018

Rate	0.17	%	0.17	0.17	0.18	0.24
Long-term debt	$1,688,580		1,740,588	1,372,741	1,326,239	1,386,324

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Rate	3.26	%	3.31	4.09	4.34	3.19
Total interest bearing liabilities	$17,216,546		17,333,930	17,323,774	17,890,230	18,529,665
Rate	0.72	%	0.75	0.81	0.91	0.90
Non-interest bearing demand deposits	$5,232,587		5,466,312	5,560,827	5,606,352	5,397,964
Effective cost of funds	0.52	%	0.54	0.58	0.66	0.67
Net interest margin	3.43	%	3.45	3.51	3.48	3.55
Taxable equivalent adjustment	$618		766	761	780	798

(1) Excludes net unrealized gains and (losses).
(2) Average loans are shown net of deferred fees and costs. Non-performing loans are included.
(3) 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.
(4) Included as a component of Other Assets on the balance sheet.

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Net Interest Income and Rate/Volume Analysis

The following tables set forth the major components of net interest income and the related annualized yields and rates for the three months ended March 31, 2013 and 2012, as well as the variances between the periods caused by changes in interest rates versus changes in volume.

Net Interest Income and Rate/Volume Analysis

	Three Months Ended March 31,						2013 Compared to 2012		
	Average Balances		Interest		Annualized Yield/Rate		Change due to		Increase (Decrease)
(dollars in thousands)	2013	2012	2013	2012	2013	2012	Volume	Rate	
Assets									
Interest earning assets:									
Taxable investment securities	$2,984,129	3,577,026	$10,583	20,858	1.44 %	2.35 %	$(3,436)	(6,839)	$(10,275)
Tax-exempt investment securities(2)	14,362	23,559	228	375	6.34	6.36	(144)	(3)	(147)
Total investment securities	2,998,491	3,600,585	10,811	21,233	1.46	2.38	(3,580)	(6,842)	(10,422)
Trading account assets	8,629	14,975	154	278	7.12	7.43	(116)	(8)	(124)
Taxable loans, net(1)	19,338,467	19,864,578	215,598	237,282	4.52	4.74	(6,227)	(15,457)	(21,684)
Tax-exempt loans, net(1)(2)	123,155	146,121	1,541	1,912	5.08	5.26	(298)	(73)	(371)
Allowance for loan losses	(372,239)	(529,669)							
Loans, net	19,089,383	19,481,030	217,139	239,194	4.61	4.94	(6,525)	(15,530)	(22,055)
Mortgage loans held for sale	179,507	112,040	1,706	1,367	3.80	4.88	812	(474)	338
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	1,343,652	1,830,295	814	1,102	0.24	0.24	(288)	—	(288)
Federal Home Loan Bank and Federal Reserve Bank stock	65,330	78,100	385	278	2.36	1.43	(45)	152	107
Total interest earning assets	$23,684,992	25,117,025	$231,009	263,452	3.95 %	4.22	$(9,742)	(22,702)	$(32,444)
Cash and due from banks	458,103	456,652							
Premises and equipment, net	479,365	485,971							
Other real estate	150,303	213,592							

Other assets[3]	1,441,489	762,879							
Total assets	$26,214,252	27,036,119							
Liabilities and Shareholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand deposits	$3,839,707	3,540,327	$1,729	2,209	0.18 %	0.25	$184	(664)	$(480)
Money market accounts	6,338,383	6,978,882	5,179	8,344	0.33	0.48	(758)	(2,407)	(3,165)
Savings deposits	581,792	534,118	151	155	0.11	0.12	14	(19)	(5)
Time deposits	4,553,423	5,793,997	9,657	19,779	0.86	1.37	(4,191)	(5,931)	(10,122)
Federal funds purchased and securities sold under repurchase agreements	214,661	296,017	91	180	0.17	0.24	(48)	(41)	(89)
Long-term debt	1,688,580	1,386,324	13,770	11,028	3.26	3.19	2,377	366	2,743
Total interest-bearing liabilities	$17,216,546	18,529,665	$30,577	41,695	0.72 %	0.90	$(2,422)	(8,696)	$(11,118)
Non-interest bearing deposits	5,232,587	5,397,964							
Other liabilities	192,462	250,836							
Shareholders' equity	3,572,657	2,857,654							
Total liabilities and equity	$26,214,252	27,036,119							
Net interest income/margin			200,432	221,757	3.43 %	3.55 %			
Taxable equivalent adjustment			618	798					
Net interest income, actual			$199,814	220,959			$(7,320)	(14,006)	$(21,326)

(1) Average loans are shown net of unearned income. Non-performing loans are included. Interest income includes fees as follows: 2013 - $5.8 million, 2012 - $4.5 million.
(2) 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.
(3) Includes average net unrealized gains (losses) on investment securities available for sale of $41.5 million and $73.8 million for the three months ended March 31, 2013 and
2012, respectively.

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Market Risk Analysis

Interest rate risk is the primary market risk to which Synovus is potentially exposed. Synovus measures its sensitivity to changes in market interest rates through the use of a simulation model. Synovus uses this simulation model to determine a baseline net interest income forecast and the sensitivity of this forecast to changes in interest rates. These simulations include all of Synovus' earning assets, liabilities, and derivative instruments. Forecasted balance sheet changes, primarily reflecting loan and deposit growth and mix forecasts, are included in the periods modeled. Anticipated deposit mix changes in each interest rate scenario are also included in the periods modeled. Projected rates for loans and deposits are based on management's outlook and local market conditions.

Synovus has modeled its baseline net interest income forecast assuming a flat interest rate environment with the federal funds rate at the Federal Reserve's current targeted range of 0% to 0.25% and the current prime rate of 3.25%. Due to the targeted federal funds rate being at or near 0% at this time, only rising rate scenarios have been modeled. Synovus has modeled the impact of a gradual increase in short-term rates of 100 and 200 basis points to determine the sensitivity of net interest income for the next twelve months. Synovus continues to maintain a modestly asset sensitive position which would be expected to benefit net interest income in a rising interest rate environment. The following table represents the estimated sensitivity of net interest income to these changes in short term interest rates at March 31, 2013, with comparable information for December 31, 2012.

	Estimated % Change in Net Interest Income as Compared to Unchanged Rates (for the next twelve months)	
Change in Short-term Interest Rates (in basis points)	March 31, 2013	December 31, 2012
+200	1.6%	2.1%
+100	1.3%	1.6%
Flat	—%	—%

Several factors could serve to diminish or eliminate this asset sensitivity. These factors include a higher than projected level of deposit customer migration to higher cost deposits, such as certificates of deposit, which would increase total interest expense and serve to reduce the realized level of asset sensitivity. Another factor which could impact the realized interest rate sensitivity is the repricing behavior of interest bearing non-maturity deposits. Assumptions for repricing are expressed as a beta relative to the change in the prime rate. For instance, a 50% beta would correspond to a deposit rate that would increase 0.5% for every 1% increase in the prime rate. Projected betas for interest bearing non-maturity deposit repricing are a key component of determining the Company's interest rate risk positioning. Should realized betas be higher than projected betas, the expected benefit from higher interest rates would be diminished. The following table presents an example of the potential impact of an increase in repricing betas on Synovus' realized interest rate sensitivity position.

	As of March 31, 2013	
Change in Short-term Interest Rates (in basis points)	Base Scenario	15% Increase in Average Repricing Beta
+200	1.6%	0.8%
+100	1.3%	0.6%

While all of the above estimates are reflective of the general interest rate sensitivity of Synovus, local market conditions and their impact on loan and deposit pricing would be expected to have a significant impact on the realized level of net interest income. Actual realized balance sheet growth and mix would also impact the realized level of net interest income.

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ADDITIONAL DISCLOSURES

Other Contingencies

Repurchase Obligations for Mortgage Loans Originated for Sale

Financial institutions have experienced a dramatic increase in the number of repurchase demands they received, including from government sponsored enterprises, mortgage insurers, and other purchasers of residential mortgage-backed securitizations, generally due to findings of underwriting deficiencies in the mortgage origination process and in the packaging of mortgages by certain mortgage lenders. Also, foreclosure practices of financial institutions nationwide came under scrutiny due to the discovery of questionable residential foreclosure procedures of certain large financial institutions. The current focus in foreclosure practices of financial institutions nationwide led Synovus to evaluate its foreclosure process related to home equity and consumer mortgage loans within its loan portfolio. Based on information currently available, management believes that it does not have significant exposure to contingent losses that may arise relating to the representations and warranties that it has made in connection with its mortgage loan sales. See "Part I-Item 1A - Risk Factors- We may be required to repurchase mortgage loans or indemnify mortgage loan purchasers as a result of breaches of representations and warranties, borrower fraud, or certain borrower defaults, which could harm our liquidity, results of operations and financial condition" of Synovus' 2012 Form 10-K.

Residential mortgage loans originated by Synovus Mortgage are sold to third-party GSEs and non-GSE purchasers on a non-recourse basis and on a servicing released basis. These loans are originated and underwritten internally by Synovus personnel and are primarily to borrowers in Synovus' geographic market footprint.

Each GSE and non-GSE purchaser has specific guidelines and criteria for sellers of loans, and the risk of credit loss with regard to the principal amount of the loans sold is transferred to the purchasers upon sale. While the loans are sold without recourse, the purchase agreements require Synovus Mortgage to make certain representations and warranties regarding the existence and sufficiency of file documentation and the absence of fraud by borrowers or other third parties such as appraisers in connection with obtaining the loan. If it is determined that loans sold were in breach of these representations or warranties, Synovus Mortgage has obligations to either repurchase the loan at the unpaid principal balance and all interest and fees due or make the purchaser whole for the economic benefits of the loan.

To date, repurchase activity pursuant to the terms of these representations and warranties has been minimal and has primarily been associated with loans originated from 2005 through 2008. From January 1, 2005 through March 31, 2013, Synovus Mortgage originated and sold approximately $7.4 billion of first lien GSE eligible mortgage loans and approximately $3.2 billion of first and second lien non-GSE eligible mortgage loans. The total expense pertaining to losses from repurchases of mortgage loans previously sold, including amounts accrued in accordance with ASC 450, was $96 thousand and $910 thousand for the three months ended March 31, 2013 and 2012, respectively. The total accrued liability related to mortgage repurchase claims was $4.6 million and $5.2 million, at March 31, 2013 and December 31, 2012, respectively. Synovus Mortgage sold approximately 25% of its loans originated in the 2005 through 2008 period to certain financial institutions who have settled litigation with the GSE who purchased, held and securitized the mortgages. This settlement ultimately limits Synovus' exposure to repurchases and make whole requests during the origination years 2005 through 2008. Synovus' exposure is further reduced by the limited third party originations during the 2005 through 2008 periods, the origination of loans primarily within Synovus' five state footprint, and the fact that less than 11% of Synovus Mortgage's loan originations were low or no documentation loans.

Mortgage Loan Foreclosure Practices

At March 31, 2013 and December 31, 2012, Synovus had $2.89 billion and $2.94 billion, respectively of home equity and consumer mortgage loans which are secured by first and second liens on residential properties. Of the amounts at March 31, 2013, $453.3 million and $454.6 million, respectively, consist of mortgages relating to properties in Florida and South Carolina, which are states where foreclosures proceed through the courts. Of the amounts at December 31, 2012, $419.3 million and $462.7 million, respectively, consist of mortgages relating to properties in Florida and South Carolina, which are states where foreclosures proceed through the courts. To date, foreclosure activity in the home equity and consumer mortgage loan portfolio has been low. Any foreclosures on these loans are handled by designated

Synovus personnel and external legal counsel, as appropriate, following established policies regarding legal and regulatory requirements. Based on information currently available, management believes that it does not have significant exposure related to our foreclosure practices. See "Part I-Item 1A - Risk Factors- We may be required to repurchase mortgage loans or indemnify mortgage loan purchasers as a result of breaches of representations and warranties, borrower fraud, or certain borrower defaults, which could harm our liquidity, results of operations and financial condition" in Synovus’ 2012 Form 10-K.

Recently Issued Accounting Standards

See Note 1 of the notes to the unaudited interim consolidated financial statements for a discussion of recently issued accounting standards updates.

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Critical Accounting Policies

The accounting and financial reporting policies of Synovus conform to GAAP and to general practices within the banking and financial services industries. Synovus has identified certain of its accounting policies as “critical accounting policies.” In determining which accounting policies are critical in nature, Synovus has identified the policies that require significant judgment or involve complex estimates. It is management's practice to discuss critical accounting policies with the Board of Director's Audit Committee, including the development, selection, and disclosure of the critical accounting policies. The application of these policies has a significant impact on Synovus’ unaudited interim consolidated financial statements. Synovus’ financial results could differ significantly if different judgments or estimates are applied in the application of these policies. All accounting policies described in "Note 1 - Summary of Significant Accounting Policies" in Synovus' 2012 Form 10-K should be reviewed for a greater understanding of how we record and report our financial performance. Synovus made no significant changes in its critical accounting policies from those disclosed in Synovus' 2012 Form 10-K.

Non-GAAP Financial Measures

The measures entitled pre-tax, pre-credit costs income; non-interest income excluding investment securities gains, net; core expenses; net sequential quarter loan (decline) growth; core deposits and core deposits excluding time deposits; the tangible common equity to tangible assets ratio, and the Tier 1 common equity ratio are not measures recognized under U.S. GAAP and therefore are considered non-GAAP financial measures. The most comparable GAAP measures are income (loss) before income taxes; total non-interest income; total non-interest expense; sequential quarter total loan (decline) growth; total deposits, the ratio of total shareholders’ equity to total assets, the ratio of total common shareholders’ equity to risk-weighted assets, and the ratio of Tier 1 capital to risk-weighted assets, respectively. Management uses these non-GAAP financial measures to assess the performance of Synovus’ core business and the strength of its capital position. Synovus believes that these non-GAAP financial measures provide meaningful additional information about Synovus to assist investors in evaluating Synovus’ operating results, financial strength and capital position. These non-GAAP financial measures should not be considered as a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures at other companies. Pre-tax, pre-credit costs income is a measure used by management to evaluate core operating results exclusive of credit costs as well as certain non-core revenues and expenses such as investment securities gains and restructuring charges. Non-interest income excluding investment securities gains, net is a measure used by management to evaluate non-interest income exclusive of net investment securities gains. Core expenses are measures used by management to gage the success of expense management initiatives focused on reducing recurring controllable operating costs. Net sequential quarter loan (decline) growth is a measure used by management to evaluate organic loan growth. Core deposits and core deposits excluding time 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 to tangible assets ratio and the Tier 1 common equity ratio are used by management and investment analysts to assess the strength of Synovus’ capital position. The computations of these measures are set forth in the tables below.

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Reconciliation of Non-GAAP Financial Measures	Three Months Ended		
(in thousands, except per share data)	March 31, 2013	December 31, 2012	March 31, 2012
Pre-tax, Pre-credit Costs Income			
Income (loss) before income taxes	$46,553	(72,299)	35,916
Add: Provision for loan losses	35,696	146,526	66,049
Add: Other credit costs (1)	13,595	39,236	24,849
Add: Restructuring charges	4,850	1,969	858
Add: Visa indemnification charges	37	757	2,979
Less: Investment securities gains, net	(45)	(8,233)	(20,083)
Pre-tax, pre-credit costs income	$100,686	107,956	110,568
Non-interest Income Excluding Investment Securities Gains, Net			
Total non-interest income	$64,721	80,117	84,139
Less: Investment securities gains, net	(45)	(8,233)	(20,083)
Non-interest income excluding investment securities gains, net	$64,676	71,884	64,056
Core Expenses			
Total non-interest expense	$182,286	213,346	203,133
Less: Other credit costs(1)	(13,595)	(39,236)	(24,849)
Less: Restructuring charges	(4,850)	(1,969)	(858)
Less: Visa indemnification charges	(37)	(757)	(2,979)
Core expenses	$163,804	171,384	174,447

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Reconciliation of Non-GAAP Financial Measures

(in thousands, except per share data)	March 31, 2013		December 31, 2012		March 31, 2012	
Net Sequential Quarter Loan (Decline) Growth						
Sequential quarter decline in total loans	$(173,803	)	(190,175	)	(236,115	)
Add: Transfers to other loans held for sale	45,997		479,016		97,199	
Add: Foreclosures	29,576		33,572		48,127	
Add: Charge-offs excluding transfers to other loans held for sale and loan sales	46,636		22,940		65,498	
Net sequential quarter loan (decline) growth	$(51,594	)	345,353		(25,291	)
Core Deposits and Core Deposits Excluding Time Deposits						
Total deposits	$20,561,193		21,057,044		22,137,702	
Less: Brokered deposits	(1,332,632	)	(1,092,749	)	(1,406,709	)
Core deposits	19,228,561		19,964,295		20,730,993	
Less: Time deposits	(3,482,196	)	(3,583,304	)	(4,302,292	)
Core deposits excluding time deposits	$15,746,365		16,380,991		16,428,701	
Tangible Common Equity Ratios						
Total assets	$26,212,879		26,760,012		27,064,792	
Less: Goodwill	(24,431	)	(24,431	)	(24,431	)
Less: Other intangible assets, net	(4,583	)	(5,149	)	(7,589	)
Tangible Assets	$26,183,865		26,730,432		27,032,772	
Total shareholders' equity	3,578,106		3,569,431		2,821,763	
Less: Goodwill	(24,431	)	(24,431	)	(24,431	)
Less: Other intangible assets, net	(4,583	)	(5,149	)	(7,589	)
Less: Series A Preferred Stock, no par value	(960,005	)	(957,327	)	(949,536	)
Tangible common equity	$2,589,087		2,582,524		1,840,207	
Less: tMeds	(260,083	)	(260,083	)	(260,083	)
Tangible common equity excluding tMeds	$2,329,004		2,322,441		1,580,124	
Total shareholders' equity to total assets ratio	13.65	%	13.34		10.43	
Tangible common equity to tangible assets ratio	9.89		9.66		6.81	
Tier 1 Common Equity Ratio						
Total Shareholders' Equity	$3,578,106		3,569,431		2,821,763	
Less: Accumulated other comprehensive (income) loss	(2,787	)	(4,101	)	2,195	
Less: Goodwill	(24,431	)	(24,431	)	(24,431	)
Less: Other intangible assets, net	(4,583	)	(5,149	)	(7,589	)
Less: Disallowed deferred tax assets (2)	(687,007	)	(710,488	)	—	
Other items	7,192		6,982		7,856	
Tier 1 Capital	$2,866,490		$2,832,244		$2,799,794	
Less: Qualifying trust preferred securities	(10,000	)	(10,000	)	(10,000	)
Less: Series A Preferred Stock, no par value	(960,005	)	(957,327	)	(949,536	)
Tier 1 Common Equity	$1,896,485		$1,864,917		1,840,258	
Total Risk Weighted Assets	21,235,128		21,387,935		21,230,198	
Tier 1 Capital Ratio	13.50	%	13.24		13.19	
Tier 1 Common Equity Ratio	8.93		8.72		8.67	

[1] Other credit costs consist primarily of foreclosed real estate expense, net, provision for losses on unfunded commitments, and charges related to other loans held for sale.
[2] Only one year of projected future taxable income may be applied in calculating deferred tax assets for regulatory capital purposes.

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ITEM 3. – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information presented in the Market Risk Analysis section of the Management's Discussion and Analysis of Financial Condition and Results of Operations is incorporated herein by reference.

ITEM 4. – CONTROLS AND PROCEDURES

In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by Synovus' management, with the participation of Synovus' Chief Executive Officer and Chief Financial Officer, of the effectiveness of Synovus' disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on that evaluation, Synovus' Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2013, Synovus' disclosure controls and procedures were effective.

Synovus regularly engages in productivity and efficiency initiatives to streamline operations, reduce expenses, and increase revenue. Additionally, investment in new and updated information technology systems has enhanced information gathering and processing capabilities; and allowed management to operate in a more centralized environment for critical processing and monitoring functions. Management of Synovus is responsible for identifying, documenting, and evaluating the adequacy of the design and operation of the controls implemented during each process change described above. There have been no material changes in Synovus' internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2013 that has materially affected, or is reasonably likely to materially affect, Synovus' internal controls over financial reporting.

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PART II. – OTHER INFORMATION

ITEM 1. – LEGAL PROCEEDINGS

Synovus and its subsidiaries are subject to various legal proceedings and claims that arise in the ordinary course of its business. Additionally, in the ordinary course of business, Synovus and its subsidiaries are subject to regulatory examinations, information gathering requests, inquiries and investigations. In the wake of the ongoing financial credit crisis that began in 2007, Synovus, like many other financial institutions, has become the target of numerous legal actions and other proceedings asserting claims for damages and related relief for losses resulting from this crisis. These actions include claims and counterclaims asserted by individual borrowers related to their loans and allegations of violations of state and federal laws and regulations relating to banking practices, including several purported putative class action matters. In addition to actual damages if Synovus does not prevail in any asserted legal action, credit-related litigation could result in additional write-downs or charge-offs of assets, which would adversely affect Synovus' results of operations during the period in which the write-down or charge-off occurred.

Based on our current knowledge and advice of counsel, management presently does not believe that the liabilities arising from these legal matters will have a material adverse effect on Synovus' consolidated financial condition, operating results or cash flows. However, it is possible that the ultimate resolution of these legal matters could have a material adverse effect on Synovus' results of operations and financial condition for any particular period. For additional information, see "Part I - Item 1. Financial Statements - Note 13 - Legal Proceedings" of this Report, which Note is incorporated herein by this reference.

ITEM 1A. – RISK FACTORS

In addition to the other information set forth in this Report, you should carefully consider the factors discussed in “Risk Factors” in Part I-Item 1A of Synovus’ 2012 Form 10-K which could materially affect its business, financial position, results of operations, cash flows, or future results. Please be aware that these risks may change over time and other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict such risks or estimate the extent to which they may affect our business, financial condition or results of operations, or the trading price of our securities.

There were no material changes during the period covered by this Report to the risk factors previously disclosed in Synovus’ 2012 10-K.

ITEM 2. – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 4. – MINE SAFETY DISCLOSURES

Not applicable.

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ITEM 6. – EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Articles of Incorporation of Synovus, as amended, incorporated by reference to Exhibit 3.1 of Synovus' Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, as filed with the SEC on August 9, 2010.
3.2	Bylaws, as amended, of Synovus, incorporated by reference to Exhibit 3.1 of Synovus' Current Report on Form 8-K dated November 8, 2010, as filed with the SEC on November 9, 2010.
4.1	Shareholder Rights Plan, dated as of April 26, 2010, between Synovus Financial Corp. and Mellon Investor Services LLC, as Rights Agent, which includes the Form of Articles of Amendment to the Articles of Incorporation of Synovus Financial Corp. (Series B Participating Cumulative Preferred Stock) as Exhibit A, the Summary of Terms of the Rights Agreement as Exhibit B and the Form of Right Certificate as Exhibit C, incorporated by reference to Exhibit 4.1 of Synovus' Current Report on Form 8-K dated April 26, 2010, as filed with the SEC on April 26, 2010.
4.2	Amendment No. 1, dated as of September 6, 2011 to Shareholder Rights Plan between Synovus Financial Corp. and American Stock Transfer & Trust Company, LLC; incorporated by reference to Exhibit 4.1 of Synovus' Current Report on Form 8-K dated September 6, 2011, as filed with the SEC on September 6, 2011.
4.3	Amendment No. 2, dated April 24, 2013, to Shareholder Rights Plan dated as of April 26, 2010 (as amended) by and between Synovus Financial Corp. and American Stock Transfer and Trust Company, LLC, incorporated by reference to Exhibit 4.1 of Synovus' Current Report on Form 8-K dated April 24, 2013, as filed with the SEC on April 24, 2013.
12.1	Ratio of Earnings to Fixed Charges.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive Data File

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

SYNOVUS FINANCIAL CORP.

May 9, 2013
Date

By: /s/ Thomas J. Prescott
Thomas J. Prescott
Executive Vice President and Chief Financial Officer

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