SYNOVUS FINANCIAL CORP
Form 10-Q
May 10, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2012
Commission file number 1-10312

SYNOVUS FINANCIAL CORP.
(Exact name of registrant as specified in its charter)

Georgia	58-1134883
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1111 Bay Avenue Suite 500, Columbus, Georgia	31901
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (706) 649-2311
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1.00 Par Value	New York Stock Exchange
Tangible Equity Units	New York Stock Exchange
Series B Participating Cumulative Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES x NO ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES x NO ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES ¨ NO x

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date.

Class	April 30, 2012
Common Stock, $1.00 Par Value	786,575,516 shares

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SYNOVUS FINANCIAL CORP.
INDEX OF DEFINED TERMS
2013 Senior Notes – Synovus' outstanding 4.875% Senior Notes due February 15, 2013
2019 Senior Notes – Synovus' 7.875% Senior Notes due February 15, 2019
ALCO – Synovus' Asset Liability Management Committee
ALL – Allowance for Loan Losses
ARRA – American Recovery and Reinvestment Act of 2009
ASC – Accounting Standards Codification
ASU – Accounting Standards Update
AUM – assets under management
BAM – Broadway Asset Management, Inc., a wholly-owned subsidiary of Synovus Financial Corp.
BCBS – Basel Committee on Banking Supervision
BSA/AML – Bank Secrecy Act / Anti-Money Laundering
BOV – broker's opinion of value
bp – basis point (bps - basis points)
CD – certificate of deposit
C&D – residential construction and development loans
C&I – commercial and industrial loans
CB&T – Columbus Bank and Trust Company, a division of Synovus Bank. Synovus Bank is a wholly-owned subsidiary of Synovus Financial Corp.
CAMELS Rating System – A term defined by bank supervisory authorities, referring to Capital, Assets, Management, Earnings, Liquidity, and Sensitivity to Market Risk
CEO – Chief Executive Officer
CFO – Chief Financial Officer
CFPB – Consumer Finance Protection Bureau
Charter Consolidation – Synovus' consolidation of its 30 banking subsidiaries into a single bank charter in 2010
CMO – collateralized mortgage obligation
Code – Internal Revenue Code of 1986, as amended
Common Stock – Common Stock, par value $1.00 per share, of Synovus Financial Corp.
Company – Synovus Financial Corp. and its wholly-owned subsidiaries, except where the context requires otherwise
Covered Litigation – Certain Visa litigation for which Visa is indemnified by Visa USA members
CPP – U.S. Department of the Treasury Capital Repurchase Program
CRE – commercial real estate
CROA – Credit Repair Organization Act
DIF – Deposit Insurance Fund
Dodd-Frank Act – The Dodd-Frank Wall Street Reform and Consumer Protection Act
DRR – Designated Reserve Ratio
DTA – deferred tax asset
EBITDA – earnings before interest, depreciation and amortization

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EESA – Emergency Economic Stabilization Act of 2008
EITF – Emerging Issues Task Force
EL – expected loss
EPS – earnings per share
Exchange Act – Securities Exchange Act of 1934, as amended
FASB – Financial Accounting Standards Board
FDIC – Federal Deposit Insurance Corporation
FINRA – Financial Industry Regulatory Authority
FFIEC – Federal Financial Institutions Examination Council
FHLB – Federal Home Loan Bank
FICO – Fair Isaac Corporation
GA DBF – Georgia Department of Banking and Finance
GAAP – Accounting Principles Generally Accepted in the United States of America
GDP – gross domestic product
Georgia Commissioner – Banking Commissioner of the State of Georgia
GSE – government sponsored enterprise
HELOC – home equity line of credit
IASB – International Accounting Standards Board
IFRS – International Financial Reporting Standards
IOLTA – Interest on Lawyer Trust Account
IPO – Initial Public Offering
IRC – Internal Revenue Code of 1986, as amended
IRS – Internal Revenue Service
LGD – loss given default
LIBOR – London Interbank Offered Rate
LIHTC – Low Income Housing Tax Credit
LTV – loan-to-collateral value ratio
MAD – Managed Assets Division, a division of Synovus Bank
MBS – mortgage-backed securities
NBER – National Bureau of Economic Research
nm – not meaningful
NPA – non-performing assets
NPL – non-performing loans
NSF – non-sufficient funds
NYSE – New York Stock Exchange
OCI – Other Comprehensive Income
OFAC – Office of Foreign Assets Control
ORE – other real estate
ORM – Operational Risk Management

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OTTI – Other-than-temporary impairment
Parent Company – Synovus Financial Corp.
PD – probability of default
POS – point-of-sale
RCSA – Risk Control Self-Assessment
SAB – SEC Staff Accounting Bulletin
SBA – Small Business Administration
SEC – U.S. Securities and Exchange Commission
Securities Act – Securities Act of 1933, as amended
Series A Preferred Stock – Synovus' Fixed Rate Cumulative Perpetual Preferred Stock, Series A, without par value
Shared Deposit – Prior to the Charter Consolidation, Synovus offered this deposit product which gave its customers the opportunity to access up to $7.5 million in FDIC insurance by spreading deposits across its 30 separately-chartered banks.
Synovus – Synovus Financial Corp.
Synovus Bank – A Georgia state-chartered bank, formerly known as Columbus Bank and Trust Company, and wholly-owned subsidiary of Synovus, through which Synovus conducts its banking operations
Synovus' 2011 Form 10-K – Synovus' Annual Report on Form 10-K for the year ended December 31, 2011
Synovus Mortgage – Synovus Mortgage Corp., a wholly-owned subsidiary of Synovus Bank
Synovus Trust Company, N. A. – a wholly-owned subsidiary of Synovus Bank
TAGP – Transaction Account Guarantee Program
TARP – Troubled Assets Relief Program
TBA – to-be-announced securities with respect to mortgage-related securities to be delivered in the future (MBSs and CMOs)
TDR – troubled debt restructuring (as defined by ASC 310-40)
Tender Offer – Offer by Synovus to purchase, for cash, all of its outstanding 2013 Notes, which commenced on February 7, 2012 and expired on March 6, 2012
tMEDS – tangible equity units, each composed of a prepaid common stock purchase contract and a junior subordinated amortizing note
TSYS – Total System Services, Inc.
UCL – Unfair Competition Law
USA PATRIOT Act – Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism
VIE – variable interest entity, as defined in ASC 810-10
Visa – The Visa U.S.A. Inc. card association or its affiliates, collectively
Visa Class B shares – Class B shares of Common Stock issued by Visa which are subject to restrictions with respect to sale until all of the Covered Litigation has been settled
Visa Derivative – A derivative contract with the purchaser of Visa Class B shares which provides for settlements between the purchaser and Synovus based upon a change in the ratio for conversion of Visa Class B shares into Visa Class A shares
Visa IPO – The initial public offering of shares of Class A Common Stock by Visa, Inc. on March 25, 2008

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PART I. FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS
SYNOVUS FINANCIAL CORP.
CONSOLIDATED BALANCE SHEETS
(unaudited)

(in thousands, except share and per share data)	March 31, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	$485,074	510,423
Interest bearing funds with Federal Reserve Bank	1,781,002	1,567,006
Interest earning deposits with banks	11,963	13,590
Federal funds sold and securities purchased under resale agreements	123,676	158,916
Trading account assets, at fair value	16,398	16,866
Mortgage loans held for sale, at fair value	96,837	161,509
Other loans held for sale	19,610	30,156
Investment securities available for sale, at fair value	3,713,003	3,690,125
Loans, net of deferred fees and costs	19,843,698	20,079,813
Allowance for loan losses	(507,794)	(536,494)
Loans, net	19,335,904	19,543,319
Premises and equipment, net	479,976	486,923
Goodwill	24,431	24,431
Other intangible assets, net	7,589	8,525
Other real estate	201,429	204,232
Other assets	767,900	746,824
Total assets	$27,064,792	27,162,845
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits:		
Non-interest bearing deposits	$5,535,844	5,366,868
Interest bearing deposits, excluding brokered deposits	15,195,149	15,261,710
Brokered deposits	1,406,709	1,783,174
Total deposits	22,137,702	22,411,752
Federal funds purchased and securities sold under repurchase agreements	315,857	313,757
Long-term debt	1,351,823	1,364,727
Other liabilities	437,647	245,157
Total liabilities	24,243,029	24,335,393
Shareholders' Equity:		
Series A Preferred Stock – no par value. Authorized 100,000,000 shares; 967,870 issued and outstanding at March 31, 2012 and December 31, 2011	949,536	947,017
Common stock - $1.00 par value. Authorized 1,200,000,000 shares; issued 792,268,949 at March 31, 2012 and 790,988,880 at December 31, 2011; outstanding 786,575,497 at March 31, 2012 and 785,295,428 at December 31, 2011	792,269	790,989
Additional paid-in capital	2,226,844	2,241,171
Treasury stock, at cost – 5,693,452 shares at both March 31, 2012 and December 31, 2011	(114,176)	(114,176)
Accumulated other comprehensive (loss) income	(2,195)	21,093
Accumulated deficit	(1,030,515)	(1,058,642)

Total shareholders' equity	2,821,763	2,827,452
Total liabilities and shareholders' equity	$27,064,792	27,162,845

See accompanying notes to unaudited interim consolidated financial statements

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SYNOVUS FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended March 31,	
(in thousands, except per share data)	2012	2011
Interest income:		
Loans, including fees	$238,523	265,037
Investment securities available for sale	21,382	29,425
Trading account assets	278	256
Mortgage loans held for sale	1,367	1,811
Federal Reserve Bank balances	1,051	1,781
Other earning assets	53	122
Total interest income	262,654	298,432
Interest expense:		
Deposits	30,487	49,564
Federal funds purchased and securities sold under repurchase agreements	180	297
Long-term debt	11,028	11,137
Total interest expense	41,695	60,998
Net interest income	220,959	237,434
Provision for loan losses	66,049	141,746
Net interest income after provision for loan losses	154,910	95,688
Non-interest income:		
Service charges on deposit accounts	18,231	20,318
Fiduciary and asset management fees	10,835	11,537
Brokerage revenue	6,647	6,220
Mortgage banking income	6,003	2,495
Bankcard fees	7,579	10,657
Investment securities gains, net	20,083	1,420
Other fee income	4,700	4,931
Increase in fair value of private equity investments, net	93	132
Other non-interest income	9,968	6,454
Total non-interest income	84,139	64,164
Non-interest expense:		
Salaries and other personnel expense	92,622	93,100
Net occupancy and equipment expense	26,706	29,834
FDIC insurance and other regulatory fees	14,663	14,406
Foreclosed real estate expense, net	22,972	24,737
Losses (gains) on other loans held for sale, net	959	(2,226)
Professional fees	9,267	9,236
Data processing expense	8,024	8,950
Visa indemnification charges	2,979	4
Restructuring charges	858	24,333
Loss on curtailment of post-retirement defined benefit plan	—	398
Other operating expenses	24,083	36,944
Total non-interest expense	203,133	239,716
Income (loss) before income taxes	35,916	(79,864)
Income tax benefit	(77)	(456)
Net income (loss)	35,993	(79,408)
Net loss attributable to non-controlling interest	—	(220)

Net income (loss) available to controlling interest	35,993	(79,188	)
Dividends and accretion of discount on preferred stock	14,624	14,466	
Net income (loss) available to common shareholders	$21,369	(93,654	)
Earnings per common share:			
Net income (loss) available to common shareholders, basic	$0.03	(0.12	)
Net income (loss) available to common shareholders, diluted	$0.02	(0.12	)
Weighted average common shares outstanding, basic	786,135	785,243	
Weighted average common shares outstanding, diluted	908,986	785,243	

See accompanying notes to unaudited interim consolidated financial statements.

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SYNOVUS FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited)

	Three Months Ended March 31, 2012			Three Months Ended March 31, 2011		
(in thousands)	Before-tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before-tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Net income (loss)	$35,916	77	35,993	(79,864)	456	(79,408)
Net unrealized gains (losses) on cash flow hedges:						
Net unrealized gains (losses) arising during the period	(1,135)	437	(698)	(3,905)	1,309	(2,596)
Valuation allowance for the change in deferred taxes arising from unrealized gains/losses(1)	—	(437)	(437)	—	(1,309)	(1,309)
Net unrealized gains/losses	(1,135)	—	(1,135)	(3,905)	—	(3,905)
Net unrealized gains/losses on investment securities available for sale:						
Net unrealized gains/losses arising during the period	(2,070)	798	(1,272)	(11,684)	4,548	(7,136)
Reclassification adjustment for (gains) losses realized in net income	(20,083)	7,734	(12,349)	(1,420)	548	(872)
Valuation allowance for the change in deferred taxes arising from unrealized gains/losses(1)	—	(8,532)	(8,532)	—	(5,096)	(5,096)
Net unrealized gains/losses	(22,153)	—	(22,153)	(13,104)	—	(13,104)
Other comprehensive loss	(23,288)	—	(23,288)	(17,009)	—	(17,009)
Less: comprehensive loss attributable to non-controlling interest	—	—	—	(220)	—	(220)
Comprehensive income (loss)	$12,628	77	12,705	(96,653)	456	(96,197)

(1) In accordance with ASC 740-20-45-11(b), the deferred tax asset valuation allowance associated with unrealized gains and losses not recognized in income is charged directly to other comprehensive income (loss).
See accompanying notes to unaudited interim consolidated financial statements.

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SYNOVUS FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(unaudited)

(in thousands, except per share data)	Preferred Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	(Accumulated Deficit) Retained Earnings	Non-Controlling Interest		Total
Balance at December 31, 2010	$937,323	790,956	2,293,263	(114,176)	57,158	(966,606)	26,629		3,024,547
Net loss	—	—	—	—	—	(79,188)	(220)		(79,408)
Other comprehensive loss, net of taxes	—	—	—	—	(17,009)	—	—		(17,009)
Cash dividends declared on common stock - $0.01 per share	—	—	—	—	—	(7,851)	—		(7,851)
Cash dividends paid on preferred stock	—	—	(12,098)	—	—	—	—		(12,098)
Accretion of discount on preferred stock	2,368	—	(2,368)	—	—	—	—		—
Restricted share unit activity	—	12	(12)	—	—	—	—		—
Share-based compensation expense	—	—	833	—	—	—	—		833
Change in ownership at majority-owned subsidiary	—	—	—	—	—	—	(26,315)	—	(26,315)
Balance at March 31, 2011	$939,691	790,968	2,279,618	(114,176)	40,149	(1,053,645)	94	939,691	2,882,699
Balance at December 31, 2011	$947,017	790,989	2,241,171	(114,176)	21,093	(1,058,642)	—		2,827,452
Net Income	—	—	—	—	—	35,993	—		35,993
Other comprehensive loss, net of taxes	—	—	—	—	(23,288)	—	—		(23,288)
Cash dividends declared on common stock - $0.01 per share	—	—	—	—	—	(7,866)	—		(7,866)
	—	—	(12,098)	—	—	—	—		(12,098)

Cash dividends paid on preferred stock								
Accretion of discount on preferred stock	2,519	—	(2,526)	—	—	—	—	(7)
Restricted share unit activity	—	1,280	(1,280)	—	—	—	—	—
Share-based compensation expense	—	—	1,577	—	—	—	—	1,577
Balance at March 31, 2012	$949,536	792,269	2,226,844	(114,176)	(2,195)	(1,030,515)	—	2,821,763

See accompanying notes to unaudited interim consolidated financial statements.

SYNOVUS FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended March 31,	
(in thousands)	2012	2011
Operating Activities		
Net income (losses)	$35,993	(79,408)
Adjustments to reconcile net income (losses) to net cash provided by operating activities:		
Provision for loan losses	66,049	141,746
Depreciation, amortization, and accretion, net	11,883	11,433
Deferred income tax expense (benefit)	153	(360)
Decrease in interest receivable	4,549	4,912
Increase (decrease) in interest payable	766	(6,133)
Decrease in trading account assets	468	4,653
Originations of mortgage loans held for sale	(247,142)	(190,502)
Proceeds from sales of mortgage loans held for sale	310,094	314,703
(Gains) losses on sale of mortgage loans held for sale, net	(2,526)	296
(Decrease) increase in prepaid and other assets	(25,544)	26,375
Decrease in accrued salaries and benefits	(3,935)	(4,199)
Increase in other liabilities	193,120	884
Investment securities gains, net	(19,633)	(1,420)
Losses (gains) on sale of other loans held for sale, net	959	(2,226)
Losses on other real estate	17,310	18,624
Increase in fair value of private equity investments, net	(93)	(132)
Gains on sale of other assets held for sale, net	(169)	—
Write downs on other assets held for sale	621	—
Losses on curtailment of post-retirement health benefit	—	398
Increase in accrual for Visa indemnification	2,513	—
Share-based compensation	1,596	833
Other, net	100	(7,504)
Net cash provided by operating activities	347,132	232,973
Investing Activities		
Net decrease (increase) in interest earning deposits with banks	1,627	(5,771)
Net decrease in federal funds sold and securities purchased under repurchase agreements	35,240	30,564
Net (increase) decrease in interest bearing funds with Federal Reserve Bank	(213,996)	562,012
Proceeds from maturities and principal collections of investment securities available for sale	312,721	315,486
Proceeds from sales of investment securities available for sale	474,415	8,043
Purchases of investment securities available for sale	(819,430)	(242,292)
Proceeds from sale of other real estate	30,057	39,004
Principal repayments by borrowers on other loans held for sale	2,443	24,638
Net decrease in loans	3,690	232,370
Proceeds from sale of other loans held for sale	98,157	106,106
Purchases of premises and equipment	(3,161)	(3,129)
Proceeds from disposals of premises and equipment	2,969	43
Proceeds from sales of other assets held for sale	3,519	—

Additions to other intangible assets	—	—
Net cash (used in) provided by investing activities	(71,749)	1,067,074
Financing Activities		
Net increase (decrease) in demand and savings deposits	392,157	(421,015)
Net decrease in certificates of deposit	(666,207)	(873,410)
Net increase (decrease) in federal funds purchased and other short-term borrowings	2,100	(74,017)
Principal repayments on long-term debt	(302,180)	(58,476)
Proceeds from issuance of long-term debt	293,370	165,000

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Tax deficiency from share-based payment arrangements	(13)	—
Dividends paid to common shareholders	(7,861)	(7,851)
Dividends paid to preferred shareholders	(12,098)	(12,098)
Net cash used in financing activities	(300,732)	(1,281,867)
(Decrease) increase in cash and cash equivalents	(25,349)	18,180
Cash and cash equivalents at beginning of period	510,423	389,021
Cash and cash equivalents at end of period	$485,074	407,201
Supplemental Cash Flow Information		
Cash (Received) Paid During the Period for:		
Income tax refunds, net of taxes paid	$(10,399)	285
Interest paid	40,134	53,300
Non-cash Investing Activities (at Fair Value):		
Increase in net unrealized gains on available for sale securities[1]	(22,513)	(13,104)
(Decrease) increase in net unrealized gains on hedging instruments[1]	(1,135)	3,905
Mortgage loans held for sale transferred to loans at fair value	1,441	3,904
Loans foreclosed and transferred to other real estate at fair value	42,264	60,110
Loans transferred to other loans held for sale	94,564	164,400
Other loans held for sale foreclosed and transferred to other real estate at fair value	2,330	5,377
Premises and equipment transferred to other assets held for sale	1,945	38,241
Write downs to fair value on other loans held for sale	1,221	2,963
Impairment loss on available for sale securities	(450)	—

[1] Changes in net unrealized gains on available for sale securities, fair value hedges, and cash flow hedges have not been adjusted for the impact of deferred taxes.
See accompanying notes to unaudited interim consolidated financial statements.

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Notes to Unaudited Interim Consolidated Financial Statements

Note 1 - Significant Accounting Policies
Business Operations
The accompanying unaudited interim consolidated financial statements of Synovus include the accounts of the Parent Company and its consolidated subsidiaries. Synovus provides integrated financial services, including commercial and retail banking, financial management, insurance, and mortgage services to its customers through 30 locally-branded divisions of its wholly-owned subsidiary bank, Synovus Bank, and other offices in Georgia, Alabama, South Carolina, Florida, and Tennessee.
Basis of Presentation
The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the instructions to the SEC Form 10-Q and Article 10 of Regulation S-X; therefore, they do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows in conformity with GAAP. All adjustments consisting of normally recurring accruals that, in the opinion of management, are necessary for a fair presentation of the financial position and results of operations for the periods covered by this Report have been included. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes appearing in Synovus' 2011 Form 10-K. There have been no significant changes to the accounting policies as disclosed in Synovus' 2011 Form 10-K.
In preparing the unaudited interim consolidated financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the respective consolidated balance sheets and the reported amounts of revenues and expenses for the periods presented. Actual results could differ significantly from those estimates.
Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses; the valuation of other real estate; the valuation of impaired and other loans held for sale; the fair value of investment securities; the fair value of private equity investments, the valuation of long-lived assets and other intangible assets; the valuation of deferred tax assets; the valuation of the Visa indemnification liability; and other contingent liabilities. In connection with the determination of the allowance for loan losses and the valuation of certain impaired loans and other real estate, management obtains independent appraisals for significant properties and properties collateralizing impaired loans. In making this determination, management also considers other factors or recent developments, such as changes in absorption rates or market conditions at the time of valuation and anticipated sales prices based on management’s plans for disposition.
A substantial portion of Synovus’ loans are secured by real estate in five Southeastern states (Georgia, Alabama, Florida, South Carolina, and Tennessee). Accordingly, the ultimate collectability of a substantial portion of Synovus’ loan portfolio is susceptible to changes in market conditions in these areas. Total commercial real estate loans represent 35.5% of the total loan portfolio at March 31, 2012. Due to declines in real estate values over the past four years, the commercial real estate portfolio loans may have a greater risk of non-collection than other loans. Based on available information, management believes that the allowance for loan losses is adequate. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions, the ability of borrowers to repay their loans, and management’s plans for disposition. In addition, various regulatory agencies, as an integral part of their examination process, periodically review Synovus’ allowance for loan losses. Such agencies may require Synovus to make changes to the allowance for loan losses based on their judgment of information available to them at the time of their examination.
Cash and Cash Equivalents
Cash and cash equivalents consist of cash and due from banks. At March 31, 2012 and December 31, 2011, cash and cash equivalents included $81.5 million and $73.3 million, respectively, on deposit to meet Federal Reserve Bank requirements. At March 31, 2012 and December 31, 2011, $15.6 million of the due from banks balance was restricted as to withdrawal, including $15.0 million on deposit pursuant to a payment network arrangement.
Short-term Investments

Short-term investments consist of interest bearing funds with the Federal Reserve Bank, interest earning deposits with banks, and federal funds sold and securities purchased under resale agreements. Interest earning deposits with banks include $9.9 million at March 31, 2012 and $10.4 million at December 31, 2011, which is pledged as collateral in connection with certain letters of credit. Federal funds sold include $119.9 million at March 31, 2012, and $141.0 million at December 31, 2011, which is pledged to collateralize certain derivative instruments in a net liability position. Federal funds sold, federal funds purchased, securities purchased under resale agreements, and securities sold under repurchase agreements generally mature in one day.

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Recently Adopted Accounting Standards Updates

Effective January 1, 2012, Synovus adopted the provisions of ASU 2011-05, Presentation of Comprehensive Income. ASU 2011-05 was the result of a joint project with the IASB and FASB, and amends the guidance in ASC 220, Comprehensive Income, by eliminating the option to present components of OCI in the statement of changes in shareholders' equity. Instead, the new guidance now requires entities to present all non-owner changes in shareholders' equity either as a single continuous statement of comprehensive income or as two separate but consecutive statements. This statement was temporarily amended by ASU 2011-12, which addresses the presentation of reclassification adjustments out of accumulated other comprehensive income. Synovus has elected the two separate statement approach.

Effective January 1, 2012, Synovus adopted the provisions of ASU 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure in U.S. GAAP and IFRSs. This ASU amends Topic 820 to add both additional clarifications to existing fair value measurement and disclosure requirements. Clarifications were made to the relevancy of the highest and best use valuation concept, measurement of an instrument classified in an entity's shareholders' equity and disclosure of quantitative information about the unobservable inputs for Level 3 fair value measurements. Changes to disclosures included measurement of financial instruments within a portfolio and additional disclosures related to fair value measurements, as provided in Note 7.

Effective January 1, 2012, Synovus adopted the provisions of ASU 2011-03, Reconsideration of Effective Control for Repurchase Agreements. The ASU focuses the transferor's assessment of effective control on its contractual rights and obligations by removing the requirements to assess its ability to exercise those rights or honor those obligations. Synovus does not currently access wholesale funding markets through sales of securities with agreements to repurchase. Repurchase agreements are offered through a commercial banking sweep product as a short-term investment opportunity for customers. All such arrangements are considered typical of the banking industry and are accounted for as borrowings. There was no material impact to Synovus' unaudited interim consolidated financial statements upon adoption of this standard.

Effective January 1, 2012, Synovus adopted the provisions of ASU 2011-08, Testing Goodwill for Impairment. Under the new standard, an entity has the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. An entity can choose to perform the qualitative assessment on none, some or all of its reporting units. Moreover, an entity can bypass the qualitative assessment for any reporting unit in any period and proceed directly to step one of the impairment test, and then resume performing the qualitative assessment in any subsequent period. Management does not anticipate making significant changes to the current approach that has been applied on a historic basis in the application of the new guidance.

Recently Issued but Not Currently Effective Accounting Standards Updates

In December 2011, the FASB issued ASU 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The ASU requires additional disclosures about financial instruments and derivative instruments that are offset or subject to an enforceable master netting arrangement or similar agreement. The ASU is effective for the interim reporting period ending March 31, 2013, with retrospective disclosure for all comparative periods presented. Synovus does not offset assets and liabilities in this manner, therefore, the ASU is not expected to materially impact Synovus' financial position, results of operations, or EPS.

Reclassifications

Prior years' consolidated financial statements are reclassified whenever necessary to conform to the current year's presentation.

Subsequent Events

Synovus has evaluated, for consideration or disclosure, all transactions, events, and circumstances subsequent to the date of the consolidated balance sheet and through the date the accompanying unaudited interim consolidated financial statements were issued, and has reflected or disclosed those items within the unaudited interim consolidated financial statements and related footnotes as deemed appropriate, if any.

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Note 2 - Investment Securities
The following table summarizes Synovus' available for sale investment securities as of March 31, 2012 and December 31, 2011.

	March 31, 2012			
(in thousands)	Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$357	—	—	357
U.S. Government agency securities	37,272	2,547	—	39,819
Securities issued by U.S. Government sponsored enterprises	637,869	5,306	(67)	643,108
Mortgage-backed securities issued by U.S. Government agencies	197,109	8,018	—	205,127
Mortgage-backed securities issued by U.S. Government sponsored enterprises	2,122,904	40,937	(865)	2,162,976
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	632,224	2,623	(4,282)	630,565
State and municipal securities	22,446	787	(20)	23,213
Equity securities	3,647	—	(4)	3,643
Other investments	5,000	19	(824)	4,195
Total	$3,658,828	60,237	(6,062)	3,713,003

	December 31, 2011			
(in thousands)	Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$426	—	—	426
U.S. Government agency securities	37,489	3,004	—	40,493
Securities issued by U.S. Government sponsored enterprises	667,707	8,333	(619)	675,421
Mortgage-backed securities issued by U.S. Government agencies	266,682	19,071	—	285,753
Mortgage-backed securities issued by U.S. Government sponsored enterprises	1,955,988	46,275	(257)	2,002,006
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	651,379	1,646	(1,525)	651,500
State and municipal securities	24,530	808	(20)	25,318
Equity securities	4,147	—	(388)	3,759
Other investments	5,449	—	—	5,449
Total	$3,613,797	79,137	(2,809)	3,690,125

[1] Amortized cost is adjusted for other-than-temporary impairment charges in 2012 and 2011, which have been recognized on the consolidated statements of operations in the applicable period, and were considered inconsequential.
At March 31, 2012 and December 31, 2011, investment securities with a carrying value of $2.34 billion and $2.48 billion, respectively, were pledged to secure certain deposits, payment network arrangements, and FHLB advances as required by law and contractual agreements.
Synovus has reviewed investment securities that are in an unrealized loss position as of March 31, 2012 and December 31, 2011 for OTTI and does not consider any securities in an unrealized loss position to be

other-than-temporarily impaired. If Synovus intended to sell a security in an unrealized loss position, the entire unrealized loss would be reflected in income. Synovus does not intend to sell any of these investment securities prior to the recovery of the unrealized loss, which may be until maturity. Additionally, Synovus is not currently aware of any circumstances which will require it to sell any of the securities that are in an unrealized loss position.

Declines in the fair value of available-for-sale securities below their cost that are deemed to have OTTI are reflected in earnings as realized losses to the extent the impairment is related to credit losses. The amount of the impairment related to other factors is

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recognized in other comprehensive income. Currently, unrealized losses on debt securities are attributable to increases in interest rates on comparable securities from the date of purchase. Synovus regularly evaluates its investment securities portfolio to ensure that there are no conditions that would indicate that unrealized losses represent other-than-temporary impairment. These factors include length of time that the security has been in a loss position, the extent that the fair value has been below amortized cost, and the credit standing of the issuer.

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2012 are presented below.

	March 31, 2012					
	Less than 12 Months		12 Months or Longer		Total Fair Value	
(in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Securities issued by U.S. Government sponsored enterprises	$146,791	(67)	—	—	146,791	(67)
Mortgage-backed securities issued by U.S. Government sponsored enterprises	249,782	(865)	—	—	249,782	(865)
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	342,375	(4,282)	—	—	342,375	(4,282)
State and municipal securities	—	—	915	(20)	915	(20)
Equity securities	2,752	(4)	—	—	2,752	(4)
Other investments	2,176	(824)	—	—	2,176	(824)
Total	$743,876	(6,042)	915	(20)	744,791	(6,062)

	December 31, 2011					
	Less than 12 Months		12 Months or Longer		Total Fair Value	
(in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Securities issued by U.S. Government sponsored enterprises	$349,370	(619)	—	—	349,370	(619)
Mortgage-backed securities issued by U.S. Government sponsored enterprises	148,283	(257)	—	—	148,283	(257)
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	337,060	(1,521)	297	(4)	337,357	(1,525)
State and municipal securities.	32	(3)	883	(17)	915	(20)
Equity securities	2,367	(388)	—	—	2,367	(388)
Total	$837,112	(2,788)	1,180	(21)	838,292	(2,809)

The amortized cost and fair value by contractual maturity of investment securities available for sale at March 31, 2012 are shown below. The expected life of mortgage-backed securities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. For purposes of the maturity table, mortgage-backed securities, which are not due at a single maturity date, have been classified based on the contractual maturity date.

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(in thousands)	Distribution of Maturities at March 31, 2012 Within One Year	1 to 5 Years	5 to 10 Years	More Than 10 Years	No Stated Maturity	Total
Amortized Cost						
U.S. Treasury securities	$350	7	—	—	—	357
U.S. Government agency securities	—	272	29,994	7,006	—	37,272
Securities issued by U.S. Government sponsored enterprises	$18,489	619,380	—	—	—	637,869
Mortgage-backed securities issued by U.S. Government agencies	—	234	193	196,682	—	197,109
Mortgage-backed securities issued by U.S. Government sponsored enterprises	791	17,944	913,851	1,190,318	—	2,122,904
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	—	99	—	632,125	—	632,224
State and municipal securities	3,086	9,930	5,026	4,404	—	22,446
Other investments	1,000	—	—	4,000	—	5,000
Securities with no stated maturity (equity securities)	—	—	—	—	3,647	3,647
Total	$23,716	647,866	949,064	2,034,535	3,647	3,658,828
Fair Value						
U.S. Treasury securities	$350	7	—	—	—	357
U.S. Government agency securities	—	273	31,772	7,774	—	39,819
Securities issued by U.S. Government sponsored enterprises	18,728	624,380	—	—	—	643,108
Mortgage-backed securities issued by U.S. Government agencies	—	247	207	204,673	—	205,127
Mortgage-backed securities issued by U.S. Government sponsored enterprises	830	18,740	916,971	1,226,435	—	2,162,976
Collateralized mortgage obligations issued by U.S. Government sponsored enterprises	—	101	—	630,464	—	630,565
State and municipal securities	3,103	10,281	5,165	4,664	—	23,213
Other investments	1,002	—	—	3,193	—	4,195
Securities with no stated maturity (equity securities)	—	—	—	—	3,643	3,643
Total	$24,013	654,029	954,115	2,077,203	3,643	3,713,003

Proceeds from sales, gross gains, and gross losses on sales of securities available for sale during the three months ended March 31, 2012 and 2011 are presented below. Other-than-temporary impairment charges of $450 thousand are included in gross realized losses for the three months ended March 31, 2012.

	Three Months Ended March 31,	
(in thousands)	2012	2011
Proceeds	$474,865	8,043
Gross realized gains	20,533	1,420
Gross realized losses	(450)	—
Investment securities gains, net	$20,083	1,420

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Note 3 - Restructuring Charges

For three months ended March 31, 2012 and 2011 total restructuring charges are as follows:

	Three Months Ended March 31,	
(in thousands)	2012	2011
Severance charges	$205	14,613
Lease termination charges	—	5,397
Asset impairment charges	613	3,483
Professional fees and other charges	40	840
Total restructuring charges	$858	24,333

In January 2011, Synovus announced efficiency and growth initiatives intended to streamline operations, boost productivity, reduce expenses, and increase revenue. During the first quarter of 2011, Synovus implemented most of the components of the initiatives, which resulted in restructuring charges of $24.3 million. During the three months ended March 31, 2012, Synovus recognized restructuring charges of $858 thousand associated with these initiatives. As part of these efficiency initiatives, during the three months ended March 31, 2012, Synovus transferred premises with a carrying value of $1.7 million immediately preceding the transfer to other assets held for sale, a component of other assets on the consolidated balance sheet. The carrying value of the remaining held for sale assets was $7.1 million at March 31, 2012. The liability for restructuring activities was $813 thousand at March 31, 2012, and consists primarily of lease termination payments and estimated severance payments.

Note 4 - Other Loans Held for Sale

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. 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 operations.

During three months ended March 31, 2012 and 2011, Synovus transferred loans with a carrying value immediately preceding the transfer totaling $123.8 million and $231.4 million respectively, to other loans held for sale. Synovus recognized charge-offs upon transfer on these loans totaling $29.3 million and $67.0 million for the three months ended March 31, 2012 and 2011, respectively. These charge-offs, which resulted in a new cost basis of $94.6 million and $164.4 million, respectively, for the loans transferred during the three months ended March 31, 2012 and 2011, were based on the fair value, less estimated costs to sell, of the loans at the time of transfer.

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Note 5 – Loans and Allowance for Loan Losses

Loans outstanding, by classification, are summarized below.

(in thousands)	March 31, 2012	December 31, 2011
Investment properties	$4,446,808	4,557,313
1-4 family properties	1,554,156	1,618,484
Land acquisition	1,049,547	1,094,821
Total commercial real estate	7,050,511	7,270,618
Commercial and industrial	8,935,733	8,941,274
Home equity lines	1,595,675	1,619,585
Consumer mortgages	1,390,126	1,411,749
Credit cards	264,470	273,098
Other retail loans	618,487	575,475
Total retail loans	3,868,758	3,879,907
Total loans	19,855,002	20,091,799
Deferred fees and costs, net	(11,304)	(11,986)
Total loans, net of deferred fees and costs	$19,843,698	20,079,813

Total commercial real estate loans represent 35.5% and 36.2% of the total loan portfolio at March 31, 2012 and December 31, 2011, respectively.

A substantial portion of the loan portfolio is secured by real estate in markets located throughout Georgia, Alabama, Tennessee, South Carolina, and Florida. Accordingly, the ultimate collectability of a substantial portion of the loan portfolio is susceptible to changes in market conditions in these areas.

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The following is a summary of current, accruing past due, and non-accrual loans by portfolio class as of March 31, 2012 and December 31, 2011.

Current, Accruing Past Due, and Non-accrual Loans

	March 31, 2012					
(in thousands)	Current	Accruing 30-89 Days Past Due	Accruing 90 Days or Greater Past Due	Total Accruing Past Due	Nonaccrual	Total
Investment properties	$4,345,284	22,151	230	22,381	79,143	4,446,808
1-4 family properties	1,359,980	15,234	527	15,761	178,415	1,554,156
Land acquisition	797,229	9,368	—	9,368	242,950	1,049,547
Total commercial real estate	6,502,493	46,753	757	47,510	500,508	7,050,511
Commercial and industrial	8,635,964	44,621	1,408	46,029	253,740	8,935,733
Home equity lines	1,558,746	11,852	282	12,134	24,795	1,595,675
Consumer mortgages	1,314,028	21,962	3,192	25,154	50,944	1,390,126
Credit cards	256,968	5,122	2,380	7,502	—	264,470
Other retail loans	605,970	6,096	369	6,465	6,052	618,487
Total retail	3,735,712	45,032	6,223	51,255	81,791	3,868,758
Total loans	$18,874,169	136,406	8,388	144,794	836,039	19,855,002

	December 31, 2011					
(in thousands)	Current	Accruing 30-89 Days Past Due	Accruing 90 Days or Greater Past Due	Total Accruing Past Due	Nonaccrual	Total
Investment properties	$4,450,627	10,866	54	10,920	95,766	4,557,313
1-4 family properties	1,396,778	23,480	642	24,122	197,584	1,618,484
Land acquisition	855,021	5,299	350	5,649	234,151	1,094,821
Total commercial real estate	6,702,426	39,645	1,046	40,691	527,501	7,270,618
Commercial and industrial	8,618,813	49,826	5,035	54,861	267,600	8,941,274
Home equity lines	1,581,469	12,893	664	13,557	24,559	1,619,585
Consumer mortgages	1,326,411	23,213	5,130	28,343	56,995	1,411,749
Credit cards	267,511	3,113	2,474	5,587	—	273,098
Other retail loans	562,706	6,232	171	6,403	6,366	575,475
Total retail	3,738,097	45,451	8,439	53,890	87,920	3,879,907
Total loans	$19,059,336	134,922	14,520	149,442	883,021	20,091,799

Nonaccrual loans as of March 31, 2012 and December 31, 2011 were $836.0 million and $883.0 million, respectively. Interest income on nonaccrual loans outstanding at March 31, 2012 and 2011 that would have been recorded for the three months ended March 31, 2012 and 2011 if the loans had been current and performed in accordance with their original terms was $16.6 million and $21.7 million, respectively. No interest income on these loans was included in net income during the three months ended March 31, 2012 or 2011.

The credit quality of the loan portfolio is summarized no less frequently than quarterly using the standard asset classification system utilized by the federal banking agencies. These classifications are divided into three groups – Not Classified (Pass), Special Mention, and Classified or Adverse rating (Substandard, Doubtful, and Loss) and are defined as follows:

Pass - loans which are well protected by the current net worth and paying capacity of the obligor (or guarantors, if any) or by the fair value, less cost to acquire and sell, of any underlying collateral in a timely manner.

Special Mention - loans which have potential weaknesses that deserve management's close attention. These loans are not adversely classified and do not expose an institution to sufficient risk to warrant an adverse classification.
Substandard - loans which are inadequately protected by the current net worth and paying capacity of the obligor or by the collateral pledged, if any. Loans with this classification are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.
Doubtful - loans which have all the weaknesses inherent in loans classified as substandard with the added characteristic that the weaknesses make collection or liquidation in full highly questionable and improbable on the basis of currently known facts,

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conditions, and values.

Loss - loans which are considered by management to be uncollectible and of such little value that its continuance on the institution's books as an asset, without establishment of a specific valuation allowance or charge-off is not warranted.

In the following tables, retail loans are classified as pass except when a retail loan reaches 90 days past due, it is downgraded to substandard, and upon reaching 120 days past due, it is downgraded to loss and charged off, in accordance with the FFIEC Uniform Retail Credit Classification and Account Management Policy.

Loan Portfolio Credit Exposure by Risk Grade

	March 31, 2012						
(in thousands)	Pass	Special Mention	Substandard(1)	Doubtful(2)	Loss(2)		Total
Investment properties	$3,427,676	708,511	305,866	4,755	—		4,446,808
1-4 family properties	953,280	259,856	323,936	17,084	—		1,554,156
Land acquisition	483,436	115,040	433,466	17,605	—		1,049,547
Total commercial real estate	4,864,392	1,083,407	1,063,268	39,444	—		7,050,511
Commercial and industrial	7,365,623	882,941	668,706	18,463	—		8,935,733
Home equity lines	1,555,852	—	39,210	—	613	(3)	1,595,675
Consumer mortgages	1,333,422	—	56,337	—	367	(3)	1,390,126
Credit cards	262,089	—	635	—	1,746	(3)	264,470
Other retail loans	606,259	—	11,648	—	580	(3)	618,487
Total retail	3,757,622	—	107,830	—	3,306		3,868,758
Total loans	$15,987,637	1,966,348	1,839,804	57,907	3,306		19,855,002

	December 31, 2011						
(in thousands)	Pass	Special Mention	Substandard(1)	Doubtful(2)	Loss(2)		Total
Investment properties	$3,443,363	778,009	328,402	7,539	—		4,557,313
1-4 family properties	977,083	269,152	361,210	11,039	—		1,618,484
Land acquisition	500,359	132,799	456,010	5,653	—		1,094,821
Total commercial real estate	4,920,805	1,179,960	1,145,622	24,231	—		7,270,618
Commercial and industrial	7,265,761	909,255	754,934	11,324	—		8,941,274
Home equity lines	1,578,938	—	39,811	—	836	(3)	1,619,585
Consumer mortgages	1,344,648	—	66,478	—	623	(3)	1,411,749
Credit cards	270,624	—	948	—	1,526	(3)	273,098
Other retail loans	562,623	—	12,349	—	503	(3)	575,475
Total retail	3,756,833	—	119,586	—	3,488		3,879,907
Total loans	$15,943,399	2,089,215	2,020,142	35,555	3,488		20,091,799

(1) Includes $774.8 million and $844.0 million of nonaccrual substandard loans at March 31, 2012 and December 31, 2011, respectively.

(2) The loans within these risk grades are on nonaccrual status.

(3) Represent amounts that were 120 days past due. Per regulatory guidance, these credits are downgraded to the loss category with an allowance for loan losses equal to the full loan amount and are charged off in the subsequent quarter.

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The following table details the change in the allowance for loan losses by loan segment for the three months ended March 31, 2012 and 2011.

Allowance for Loan Losses and Recorded Investment in Loans

	As Of and For The Three Months Ended March 31, 2012				
(in thousands)	Commercial Real Estate	Commercial & Industrial	Retail	Unallocated	Total
Allowance for loan losses:					
Beginning balance	$249,094	184,888	54,514	47,998	536,494
Charge-offs	(52,462)	(37,426)	(15,601)	—	(105,489)
Recoveries	4,505	3,622	2,613	—	10,740
Provision for loan losses	38,837	27,116	10,094	(9,998)	66,049
Ending balance	$239,974	178,200	51,620	38,000	507,794
Ending balance: individually evaluated for impairment	$65,883	43,574	792	—	110,249
Ending balance: collectively evaluated for impairment	$174,091	134,626	50,828	38,000	397,545
Loans:					
Ending balance: total loans	$7,050,511	8,935,733	3,868,758	—	19,855,002
Ending balance: individually evaluated for impairment	$819,033	389,857	45,385	—	1,254,275
Ending balance: collectively evaluated for impairment	$6,231,478	8,545,876	3,823,373	—	18,600,727

	As Of and For The Three Months Ended March 31, 2011				
(in thousands)	Commercial Real Estate	Commercial & Industrial	Retail	Unallocated	Total
Allowance for loan losses:					
Beginning balance	$353,923	222,058	43,478	84,088	703,547
Charge-offs	(115,113)	(42,401)	(23,261)	—	(180,775)
Recoveries	6,953	4,071	2,884	—	13,908
Provision for loan losses	91,367	32,635	19,941	(2,197)	141,746
Ending balance	$337,130	216,363	43,042	81,891	678,426
Ending balance: individually evaluated for impairment	$60,173	27,642	1,695	—	89,510
Ending balance: collectively evaluated for impairment	$276,957	188,721	41,347	81,891	588,916
Loans:					
Ending balance: total loans	$8,064,473	9,064,578	3,877,266	—	21,006,317
Ending balance: individually evaluated for impairment	$876,806	276,832	32,676	—	1,186,314
Ending balance: individually evaluated for impairment	$7,187,667	8,787,746	3,844,590	—	19,820,003

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Below is a detailed summary of impaired loans (including accruing TDRs) as of March 31, 2012 and 2011.
Impaired Loans (including accruing TDRs)

	March 31, 2012			Three Months Ended March 31, 2012	
(in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded					
Investment properties	$46,379	80,130	—	54,167	—
1-4 family properties	122,449	273,323	—	122,649	—
Land acquisition	190,795	285,867	—	194,524	—
Total commercial real estate	359,623	639,320	—	371,340	—
Commercial and industrial	72,812	131,663	—	67,070	—
Home equity lines	3,575	4,743	—	3,707	—
Consumer mortgages	4,300	7,877	—	5,487	—
Other retail loans	2	4	—	491	—
Total retail	7,877	12,624	—	9,685	—
Total	$440,312	783,607	—	448,095	—
With allowance recorded					
Investment properties	$203,139	203,190	22,587	213,364	1,905
1-4 family properties	143,615	144,948	22,105	157,769	1,265
Land acquisition	112,656	141,978	21,191	103,249	621
Total commercial real estate	459,410	490,116	65,883	474,382	3,791
Commercial and industrial	317,045	320,234	43,574	321,158	2,217
Home equity lines	7,231	7,231	108	7,281	56
Consumer mortgages	27,439	27,439	623	30,111	269
Other retail loans	2,838	2,838	61	2,389	14
Total retail	37,508	37,508	792	39,781	339
Total	$813,963	847,858	110,249	835,321	6,347
Total					
Investment properties	$249,518	283,320	22,587	267,531	1,905
1-4 family properties	266,064	418,271	22,105	280,418	1,265
Land acquisition	303,451	427,845	21,191	297,773	621
Total commercial real estate	819,033	1,129,436	65,883	845,722	3,791
Commercial and industrial	389,857	451,897	43,574	388,228	2,217
Home equity lines	10,806	11,974	108	10,988	56
Consumer mortgages	31,739	35,316	623	35,598	269
Other retail loans	2,840	2,842	61	2,880	14
Total retail	45,385	50,132	792	49,466	339
Total impaired loans	$1,254,275	1,631,465	110,249	1,283,416	6,347

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Impaired Loans (including accruing TDRs)	December 31, 2011		
(in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded			
Investment properties	$59,930	96,238	—
1-4 family properties	118,756	274,959	—
Land acquisition	196,823	295,562	—
Total commercial real estate	375,509	666,759	—
Commercial and industrial	65,357	117,468	—
Home equity lines	3,948	5,394	—
Consumer mortgages	4,970	6,293	—
Other retail loans	736	738	—
Total retail	9,654	12,425	—
Total	$450,520	796,652	—
With allowance recorded			
Investment properties	$227,045	227,510	23,384
1-4 family properties	164,756	168,315	23,499
Land acquisition	102,847	118,868	17,564
Total commercial real estate	494,648	514,693	64,447
Commercial and industrial	318,942	324,623	42,596
Home equity lines	6,995	6,995	93
Consumer mortgages	34,766	32,455	2,306
Other retail loans	1,701	1,701	42
Total retail	43,462	41,151	2,441
Total	$857,052	880,467	109,484
Total			
Investment properties	$286,975	323,748	23,384
1-4 family properties	283,512	443,274	23,499
Land acquisition	299,670	414,430	17,564
Total commercial real estate	870,157	1,181,452	64,447
Commercial and industrial	384,299	442,091	42,596
Home equity lines	10,943	12,389	93
Consumer mortgages	39,736	38,748	2,306
Other retail loans	2,437	2,439	42
Total retail	53,116	53,576	2,441
Total impaired loans	$1,307,572	1,677,119	109,484

The average recorded investment in impaired loans was approximately $1.17 billion for the three months ended March 31, 2011. Excluding accruing TDRs, there was no interest income recognized for the investment in impaired loans for the three months ended March 31, 2011. Interest income recognized for accruing TDRs was approximately $4.0 million for the three months ended March 31, 2011. At March 31, 2012 and March 31, 2011 all impaired loans, other than $651.2 million and $545.4 million, respectively, of accruing TDRs, were on nonaccrual status.

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Effective July 1, 2011, Synovus adopted ASU 2011-02, A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring, with retrospective application to January 1, 2011, and has accordingly included the required disclosures below:

	Accruing TDRs With Modifications and Renewals Completed During The Three Months Ended March 31, 2012		
(in thousands, except contract data)	Number of Contracts	Pre-modification Recorded Balance	Post-modification Recorded Balance
Investment properties	14	$ 14,674	14,663
1-4 family properties	27	16,114	15,659
Land acquisition	16	14,523	14,319
Total commercial real estate	57	45,311	44,641
Commercial and industrial	38	24,638	24,760
Home equity lines	1	330	330
Consumer mortgages	20	2,288	2,308
Credit cards	—	—	—
Other retail loans	11	1,879	1,875
Total retail	32	4,497	4,513
Total loans	127	$ 74,446	73,914

	Accruing TDRs With Modifications and Renewals Completed During The Three Months Ended March 31, 2011		
(in thousands, except contract data)	Number of Contracts	Pre-modification Recorded Balance	Post-modification Recorded Balance
Investment properties	20	$ 75,224	75,054
1-4 family properties	11	30,534	29,045
Land acquisition	2	1,908	1,908
Total commercial real estate	33	107,666	106,007
Commercial and industrial	22	19,260	19,120
Home equity lines	7	279	282
Consumer mortgages	139	15,866	15,768
Credit cards	—	—	—
Other retail loans	15	752	749
Total retail	161	16,897	16,799
Total loans	216	$ 143,823	141,926

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(in thousands, except contract data)	Non-accruing TDRs With Modifications and Renewals Completed During The Three Months Ended March 31, 2012		
	Number of Contracts	Pre-modification Recorded Balance	Post-modification Recorded Balance
Investment properties	—	$ —	—
1-4 family properties	1	6,123	6,093
Land acquisition	1	353	312
Total commercial real estate	2	6,476	6,405
Commercial and industrial	9	9,933	9,183
Home equity lines	—	—	—
Consumer mortgages	—	—	—
Credit cards	—	—	—
Other retail loans	3	322	322
Total retail	3	322	322
Total loans	14	$ 16,731	15,910

(in thousands, except contract data)	Non-accruing TDRs With Modifications and Renewals Completed During The Three Months Ended March 31, 2011		
	Number of Contracts	Pre-modification Recorded Balance	Post-modification Recorded Balance
Investment properties	2	$ 8,646	8,646
1-4 family properties	5	4,198	3,092
Land acquisition	2	2,858	2,390
Total commercial real estate	9	15,702	14,128
Commercial and industrial	11	5,277	4,309
Home equity lines	1	35	39
Consumer mortgages	6	643	589
Credit cards	—	—	—
Other retail loans	—	—	—
Total retail	7	678	