

SYNOVUS FINANCIAL CORP

Form 424B5

April 27, 2010

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-166300**

Subject to completion, dated April 26, 2010.

(To prospectus dated April 26, 2010)

8,000,000 tMEDSsm

SYNOVUS FINANCIAL CORP.

% tMEDS

Synovus is offering 8,000,000 of its Tangible Equity Units, or tMEDS. Each tMEDS has a stated amount of \$25. Each tMEDS is a unit composed of a prepaid stock purchase contract and a junior subordinated amortizing note due May 15, 2013 issued by Synovus, which has an initial principal amount of \$ per amortizing note and a scheduled final installment payment date of May 15, 2013.

On May 15, 2013, each purchase contract will automatically settle and we will deliver a number of shares of Synovus common stock, based on the applicable market value, which is the average of the daily volume weighted average prices, or VWAPs (as defined herein), of Synovus common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding May 15, 2013:

if the applicable market value equals or exceeds \$, you will receive shares;

if the applicable market value is greater than \$ but less than \$, you will receive a number of shares having a value, based on the applicable market value, equal to \$25; and

if the applicable market value is less than or equal to \$, you will receive shares.

At any time prior to the third business day immediately preceding May 15, 2013, you may settle your purchase contract early and we will deliver you shares of our common stock. In addition, if a fundamental change (as defined herein) occurs and you elect to settle your purchase contracts early in connection with such fundamental change, you will receive a number of shares of our common stock based on the fundamental change early settlement rate, as described herein. The purchase contract holders will not receive any cash distributions.

The amortizing notes will pay you equal quarterly installments of \$ per amortizing note, which in the aggregate will be equivalent to a % cash payment per year with respect to each \$25 stated amount of tMEDS. We will have the right to defer installment payments at any time and from time to time under the circumstances, and subject to the conditions, described herein, so long as such deferral period does not extend beyond May 15, 2015. The amortizing notes will be junior subordinated obligations of Synovus, and will rank (i) junior both in liquidation and right of payment, to the extent set forth in the junior subordinated debt indenture, to all of Synovus Senior Indebtedness (as defined under Description of the amortizing notes Subordinated debt) and (ii) equally with all of our unsecured and

junior subordinated indebtedness, whether currently existing or hereinafter created, other than junior subordinated indebtedness that is designated as junior to the amortizing notes.

Each tMEDS may be separated into its constituent purchase contract and amortizing note after the initial issuance date of the tMEDS.

Synovus will apply to list the tMEDS on the New York Stock Exchange under the symbol . If approved for listing, Synovus expects that the tMEDS will begin trading on the New York Stock Exchange within 30 days after the tMEDS are first issued. However, Synovus will not initially apply to list the separate purchase contracts or the separate amortizing notes on any securities exchange or automated inter-dealer quotation system, but it may list such separate purchase contracts and separate amortizing notes in the future as described herein. Prior to this offering, there has been no public market for the tMEDS. Synovus common stock is listed on the New York Stock Exchange under the symbol SNV. The last reported sale price of Synovus common stock on the New York Stock Exchange on April 23, 2010 was \$3.54 per share.

Concurrently with this offering, we are offering \$400 million of shares of our common stock (or \$460 million of shares if the underwriters exercise their option to purchase additional shares in full). The common stock is being offered by means of a separate prospectus supplement and not by means of this prospectus supplement. The common stock offering is not contingent upon the completion of this offering, and this offering is not contingent upon the completion of the common stock offering. In addition, on April 26, 2010 we announced an offer to exchange up to 97 million shares of our common stock for any and all of our outstanding 5.125% Subordinated Notes due 2017, or 2017 notes, which we originally issued in 2005 in aggregate principal amount of \$450 million. We refer to the common stock offering and the exchange offer for our 2017 notes collectively as the Concurrent Transactions. See Summary Concurrent Transactions.

We have granted the underwriter the right to purchase, within the 13 day period that begins on and includes the date of original issuance of the tMEDS, up to an additional 1,200,000 tMEDS solely to cover over-allotments, if any.

tMEDS is a service mark of J.P. Morgan Securities Inc.

Investing in the tMEDS involves a number of risks. See Risk factors beginning on page S-21 of this prospectus supplement to read about some of the factors that you should consider before buying the tMEDS.

None of the Securities and Exchange Commission, any state securities commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation (FDIC), nor any other regulatory body has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Neither the tMEDS, the purchase contracts nor the amortizing notes are deposits, savings accounts or other obligations of Synovus bank or nonbank subsidiaries. These securities are not insured or guaranteed by the FDIC or any other governmental agency.

	Per tMEDS	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds to Synovus (before expenses)	\$	\$

The underwriter expects to deliver the tMEDS in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about May , 2010.

J.P. Morgan

Sole Book-Running Manager

April , 2010

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About this prospectus supplement

This document is comprised of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters relating to us and our financial condition, and it adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, dated April 26, 2010, which provides more general information about the securities that we may offer from time to time, some of which may not apply to this offering. You should read carefully both this prospectus supplement and the accompanying prospectus in their entirety, together with additional information described under the heading "Where you can find more information" before investing in our securities.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus supplement and the accompanying prospectus to Synovus, we, us, our or similar references mean Synovus Financial Corp. together with its subsidiaries.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement. If the information conflicts with any statement in a document that we have incorporated by reference, then you should consider only the statement in the more recent document.

We are not, and the underwriter is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference into those documents is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriter, to subscribe for and purchase, any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

Where you can find more information

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available at the offices of the New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call 212-656-5060.

The SEC allows us to incorporate by reference into this prospectus supplement the information in other documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. Information incorporated by reference is considered to be part of this prospectus supplement. The following documents

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filed with the SEC are incorporated by reference (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

our annual report on Form 10-K for the year ended December 31, 2009, as amended by amendment no. 1 to our annual report on Form 10-K/A filed on April 26, 2010, or our 2009 10-K;

those portions of our definitive proxy statement filed on March 12, 2010 in connection with our 2010 annual meeting of shareholders that are incorporated by reference into our 2009 10-K;

our current reports on Form 8-K filed on January 29, 2010 (second filing only), February 24, 2010 and April 26, 2010; and

the description of our common stock set forth in the registration statement on Form 8-A/A filed with the SEC on December 17, 2008, including any amendment or report filed with the SEC for the purpose of updating this description.

All future filings that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, prior to the termination of this offering are incorporated by reference into this prospectus supplement (other than information in such future filings deemed, under SEC rules or otherwise, not to have been filed with the SEC). Information filed with the SEC after the date of this prospectus supplement will automatically update and supersede information contained in or previously incorporated by reference into this prospectus supplement.

You may request a copy of these filings at no cost, by writing to or telephoning us at the following address:

Director of Investor Relations
Synovus Financial Corp.
1111 Bay Avenue, Suite 501
Columbus, Georgia 31901
(706) 644-1930

We also have filed a registration statement (No. 333-166300) with the SEC relating to the securities offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus are part of that registration statement. You may obtain from the SEC a copy of the registration statement and the related exhibits that we filed with the SEC when we registered the securities. The registration statement may contain additional information that may be important to you.

You should rely only on the information incorporated by reference into or provided in this prospectus supplement, any pricing supplement and the accompanying prospectus. We have not authorized anyone else to provide you with different information.

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Forward-looking statements

Certain statements made or incorporated by reference in this prospectus supplement and the accompanying prospectus which are not statements of historical fact constitute forward-looking statements within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, or the Securities Act, 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, a should, predicts, could, should, would, intends, targets, estimates, projects, plans, potential and and 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) competitive pressures arising from aggressive competition from other financial service providers;
- (2) further deteriorations in credit quality, particularly in residential construction and commercial development real estate loans, may continue to result in increased non-performing assets and credit losses, which could adversely impact our earnings and capital;
- (3) declining 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 our credit losses and negatively affect our financial results;
- (4) continuing weakness in the residential real estate environment, which may negatively impact our ability to liquidate non-performing assets;
- (5) the impact on our borrowing costs, capital costs and our liquidity due to further adverse changes in our credit ratings;
- (6) the risk that our allowance for loan losses may prove to be inadequate or may be negatively affected by credit risk exposures;
- (7) our ability to manage fluctuations in the value of our assets and liabilities to maintain sufficient capital and liquidity to support our operations;
- (8) the concentration of Synovus' non-performing assets by loan type, in certain geographic regions and with affiliated borrowing groups;

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- (9) the risk of additional future losses if the proceeds we receive upon the liquidation of assets are less than the carrying value of such assets;
- (10) changes in the interest rate environment which may increase funding costs or reduce earning assets yields, thus reducing margins;
- (11) restrictions or limitations on access to funds from subsidiaries and potential obligations to contribute additional capital to our subsidiaries, which may restrict Synovus' ability to make payments on its obligations or dividend payments;
- (12) the availability and cost of capital and liquidity on favorable terms, if at all;
- (13) changes in accounting standards or applications and determinations made thereunder;
- (14) slower than anticipated rates of growth in non-interest income and increased non-interest expense;
- (15) changes in the cost and availability of funding due to changes in the deposit market and credit market, or the way in which Synovus is perceived in such markets, including a further reduction in our debt ratings;
- (16) the risk that the recoverability of the deferred tax asset balance may extend beyond 2010;
- (17) the strength of the U.S. economy in general and the strength of the local economies and financial markets in which operations are conducted may be different than expected;
- (18) the effects of and changes in trade, monetary and fiscal policies, and laws, including interest rate policies of the Federal Reserve Board;
- (19) inflation, interest rate, market and monetary fluctuations;
- (20) the impact of proposed financial reform legislation 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, regulations and examinations;
- (21) the risk that we will not be able to complete the proposed consolidation of our subsidiary banks or, if completed, realize the anticipated benefits of the proposed consolidation;
- (22) the impact on Synovus' financial results, reputation and business if Synovus is unable to comply with all applicable federal and state regulations and applicable memoranda of understanding, other supervisory actions and any necessary capital initiatives;
- (23) the costs and effects of litigation, investigations, inquiries or similar matters, or adverse facts and developments related thereto;
- (24) the volatility of our stock price;
- (25) the impact on the valuation of our investments due to market volatility or counterparty payment risk;

(26) the risks that we may be required to seek additional capital to satisfy applicable regulatory capital standards and pressures or supervisory actions in addition to the capital realized through the execution of Synovus' capital plan described in this document;

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(27) the risk that, if economic conditions worsen or regulatory capital requirements for our subsidiary banks are modified, we may be required to seek additional liquidity at the holding company from external sources;

(28) the costs of services and products to us by third parties, whether as a result of our financial condition, credit ratings, the way we are perceived by such parties, the economy or otherwise;

(29) the risk that we could have an ownership change under Section 382 of the Internal Revenue Code, 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; and

(30) other factors and other information contained in this document and in other reports and filings that Synovus makes with the SEC under the Exchange Act, including, without limitation, under the caption Risk factors.

For a discussion of these and other risks that may cause actual results to differ from expectations, you should refer to the risk factors and other information in this prospectus supplement and the accompanying prospectus, and our other periodic filings, including our 2009 10-K, 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 to reflect the occurrence of new information or unanticipated events, except as may otherwise be required by law.

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Summary

*This summary highlights selected information contained elsewhere in, or incorporated by reference into, this prospectus supplement and may not contain all of the information that you should consider in making your investment decision. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the information to which we refer you and the information incorporated by reference herein, before deciding whether to invest in our tMEDS. You should pay special attention to the information contained under the caption entitled *Risk factors* in this prospectus supplement and *Risk Factors* in our 2009 10-K to determine whether an investment in our tMEDS is appropriate for you.*

Synovus Financial Corp.

Our business

Synovus Financial Corp. is a diversified financial services company and a registered bank holding company based in Columbus, Georgia. We provide integrated financial services including commercial and retail banking, financial management, insurance and mortgage services to our customers through 30 wholly owned subsidiary banks and other offices in Georgia, Alabama, South Carolina, Florida and Tennessee. As of December 31, 2009, we had approximately \$32.8 billion in assets, \$27.4 billion in total deposits and \$2.9 billion in shareholders' equity, and our banks ranged in size from \$221.5 million to \$7.2 billion in total assets. As of March 31, 2010, based on our preliminary unaudited financial statements we had approximately \$32.4 billion in assets, \$27.2 billion in total deposits and \$2.6 billion in shareholders' equity, and our banks ranged in size from \$244.6 million to \$7.8 billion in total assets.

We were incorporated under the laws of the State of Georgia in 1972. Our principal executive offices are located at 1111 Bay Avenue, Suite 500, Columbus, Georgia 31901 and our telephone number at that address is (706) 644-1930. Our common stock is traded on the New York Stock Exchange under the symbol SNV.

Strategic highlights

During 2009 and the first quarter of 2010, we have taken a number of steps in an effort to position our company to emerge from the current economic crisis as a stronger organization:

Capital position We announced and executed a number of capital initiatives to bolster our capital position against further credit deterioration and to provide additional capital as we pursued our aggressive asset disposition strategy. Through a combination of a public equity offering, liability management and strategic dispositions, we added approximately \$644 million of Tier 1 capital during 2009. We also announced on April 20, 2010, that we were continuing to identify, consider, and pursue additional capital management strategies to bolster our capital position. Currently, this strategy is reflected in the capital actions described in this document, including this offering and the Concurrent Transactions described below under **Concurrent Transactions**.

Risk management We completed the centralization of a number of key functions, including credit and loan review, deposit operations, loan operations, procurement and facilities management. These changes emphasize a one-company view of our operating structure and reduce the risks of managing these complex internal functions.

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Aggressive management of credit issues We announced and executed an aggressive strategy to dispose of non-performing assets and manage our credit quality. In 2009, we disposed of an aggregate of \$1.18 billion of non-performing assets. In the first quarter of 2010, we disposed of an additional \$271 million of non-performing assets.

Deposit growth We believe that our deposits remain a strength of our business. As of March 31, 2010, our total deposits were \$27.2 billion. We continue to focus on improving the mix of our deposits. As of March 31, 2010, our non-interest-bearing deposits, or DDAs, were \$4.4 billion, a 15.0% increase compared to March 31, 2009. In addition, our non-CD deposits, excluding national market brokered money market accounts, as of March 31, 2010 were \$15.2 billion, an increase of 7.8% compared to March 31, 2009.

Focus on expense control We have controlled our expenses and reduced our fundamental non-interest expense by over \$50 million during 2009. We continually review our company's operations to identify ways to enhance efficiency and create an enhanced banking experience for our customers. Total non-interest expenses for 2009 were \$1.22 billion compared to \$1.46 billion for 2008. Excluding discontinued operations, other credit costs, FDIC insurance expense, restructuring charges, net litigation contingency expense, and goodwill impairment expense, our non-interest expenses for 2009 were \$743.7 million compared to \$794.9 million for 2008. The total number of employees at December 31, 2009 was 6,385 compared to 6,876 at December 31, 2008.

Relationship banking Our relationship-based approach to banking is built on creating long-term relationships with our customers. We utilize a decentralized customer delivery model and a commitment to being a great place to work to provide what we believe to be a superior customer experience. This relationship banking approach allows our bankers to serve their customers' individual needs and demonstrates our commitment to the communities in which we operate.

We believe that these steps, together with our strong franchise in attractive Southeastern markets, position us to emerge from the current economic crisis as a stronger organization.

Capital Plan

We are pursuing a variety of strategic initiatives, which we refer to as our Capital Plan, to improve our capital position in response to, among other factors, regulatory expectations, peer firms' capital ratios, and a challenging economic environment. We have already taken a significant step to implement and are executing the Capital Plan through the sale of our merchant services business. Other elements of our Capital Plan include this securities offering and the Concurrent Transactions; a possible exchange with the U.S. Treasury of our Fixed-Rate Cumulative Perpetual Preferred Stock, Series A, or our Series A Preferred Stock, for a like amount of Trust Preferred securities; and other balance sheet initiatives.

On March 31, 2010, our affiliate, Columbus Bank and Trust Company (CB&T), completed the sale of CB&T's merchant services business to Merchant e-Solutions, Inc. (MeS) for \$70.5 million in cash. Synovus also anticipates receipt of future revenue as a result of a referral agreement with MeS.

This offering and the Concurrent Transactions, if successful, would result in approximately \$630 million dollars of additional Tier 1 common equity, and would constitute a significant step toward solidifying our capital position. See **Risk factors** Offering risks Sales of a significant number of shares of our common stock in the public markets, and other transactions that we

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pursue in connection with our Capital Plan, could depress the market price of our common stock.

On April 22, 2010, we formally requested the United States Treasury to consider the exchange of \$967,870,000 in aggregate principal amount of Series A Preferred Stock for a like amount of Trust Preferred securities. The Trust Preferred securities:

would be issued through our wholly owned unconsolidated subsidiary trust, Synovus Capital Trust I, whose sole asset would be a like amount of related subordinated debentures ranking senior to the Series A Preferred Stock,

would pay distributions and become redeemable on the same dates and in the same amounts as the Series A Preferred Stock, and

would be perpetual, having no stated maturity.

Upon completion of any exchange, and in accordance with GAAP, we intend to cancel the Series A Preferred Stock, and record the new Trust Preferred securities at their approximated fair market value of \$625 million. Warrants to purchase shares of our common stock will remain outstanding. The exchange of Series A Preferred Stock for Trust Preferred securities, if successful, would result in an estimated increase of \$300 million in our tangible equity, and would complement our efforts to raise capital. We cannot assure you that we will be able to successfully complete the exchange of our Series A Preferred Stock for Trust Preferred Securities on a timely basis, on favorable terms, or at all. Although we have formally initiated the process for exchanging Series A Preferred Stock for Trust Preferred securities, there is no guarantee that Treasury will approve the exchange. See Risk factors We presently are 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 our business, operating flexibility, financial condition and the value of our common stock.

As we have continued to carefully monitor the dramatically evolving financial services landscape in general, and our position in that landscape compared to our peers in particular, we have considered a number of factors, including, but not limited to, the following:

in light of our concentration in commercial real estate, construction and land development, as well as several quarters of deteriorating asset quality, our regulators have urged us and our board to bolster our capital position promptly and have stated that additional capital is needed; and

a number of our peers have determined to consider and pursue strategies including equity capital raising and asset and liability management designed to improve their capital position to levels above those that previously have been considered appropriate and, given the public capital market's recent patterns, this window of opportunity may be closed in the near future.

We believe that upon completion of these initiatives, we will:

possess a capital structure, and related regulatory capital ratios, that will better align with evolving industry and regulatory standards;

possess a capital cushion that will improve our ability to absorb additional losses that we could face under worsening economic conditions;

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enjoy greater operational and strategic flexibility, which could, among other things, better position us to take advantage of potential opportunities to improve and grow our business over time; and

be better positioned to possibly repay TARP as credit metrics improve.

We will seek to execute this offering and the remainder of our Capital Plan during the course of fiscal 2010. We cannot assure you that we will be able to successfully complete all elements of our Capital Plan on a timely basis, on favorable terms, or at all, that we will realize the anticipated benefits of our Capital Plan if it were to be achieved or that our bank regulators will be satisfied with such plan and will not require us to take further action. See Risk factors.

Charter Consolidation

In January 2010, we announced our intention to transition from 30 subsidiary banks with 30 individual charters to a single subsidiary bank structure, pending receipt of all required regulatory approvals. We believe that this legal change in our charter structure will:

simplify regulatory oversight;

improve capital efficiency;

enhance risk management;

increase opportunities for efficiency; and

better position Synovus to emerge stronger from the current economic downturn.

The announced Charter Consolidation is only a change in the legal structure of our organization and does not change our relationship-banking business model. We presently expect to complete the consolidation of our bank charters into a single charter by mid-2010, subject to receipt of the required regulatory approvals. Among other things, we believe that we will need to complete this offering and the Concurrent Transactions and may be required to complete other elements of our Capital Plan, in order to receive such approvals. See Risk factors We may be unable to successfully implement the Charter Consolidation and we may not realize the expected benefits from the Charter Consolidation.

Concurrent Transactions

Concurrently with this offering, we are offering \$400 million of shares of our common stock (or \$460 million if the underwriters exercise their option to purchase additional shares in full). The common stock is being offered by means of a separate prospectus supplement and not by means of this prospectus supplement. The common stock offering is not contingent upon the completion of this offering, and this offering is not contingent upon the completion of the common stock offering. In addition, on April 26, 2010 we announced an offer to exchange up to 97 million shares of our common stock for any and all of our outstanding 5.125% Subordinated Notes due 2017, or 2017 notes, which we originally issued in 2005 in aggregate principal amount of \$450 million.

Adoption of Rights Plan

We have adopted a stockholder rights plan, or Rights Plan, which provides an economic disincentive for any one person or group to become an owner, for relevant tax purposes, of 5 percent or more of our stock and thereby become a Threshold Holder, and for any existing Threshold Holder to acquire any additional shares of common stock, subject

to certain exceptions. In connection with the Rights Plan, we will issue rights on each share of our

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common stock outstanding on a specified record date and will issue additional rights on each share of our common stock issued after that record date. The rights will be exercisable by each relevant holder upon certain triggering events, such as any person becoming a Threshold Holder. Upon the occurrence of a triggering event, holders of rights (other than the Threshold Holder and certain of its affiliates and their transferees) will receive fractional shares of our preferred stock upon exercise or if our board of directors decides to exchange the rights.

It is possible that the ownership of an interest in a purchase contract would be treated, for purposes of Section 382 and, accordingly, for purposes of the Rights Plan, as the ownership of all or a portion of the Synovus common stock subject thereto. Accordingly, Synovus intends, for purposes of interpreting and applying the Rights Plan, to treat the ownership of an interest in a purchase contract as the ownership of a number of shares of Synovus common stock equal to the maximum settlement rate.

Recent developments

On April 20, 2010, we announced our results of operations for the first quarter of 2010. Our net loss for the first quarter of 2010 was \$215.7 million, or \$0.47 per common share, including a \$43 million after-tax gain from the sale of our merchant services business, compared to a net loss of \$268.6 million, or \$0.58 per common share, for the fourth quarter of 2009.

Our total credit costs for the first quarter were \$394.5 million, compared to \$427.8 million in the fourth quarter of 2009. Our credit costs primarily included provision expense of \$341.0 million and foreclosed real estate costs of \$45.5 million. Allowances and cumulative write-downs on all remaining non-performing assets were approximately 49% of unpaid principal balances, compared to 45% in the fourth quarter of 2009. Our net charge-offs decreased by \$45.9 million versus the previous quarter, while non-performing assets were up slightly by \$11.5 million, from the fourth quarter of 2009. Non-performing asset inflows totaled \$531 million for the quarter, down from \$661 million in the fourth quarter. Our problem asset disposition strategy remains on track with \$271 million in sales for the first quarter.

Our allowance for loan losses increased 25 basis points, or \$25 million, to 3.97% of total loans, and total loans past due and still accruing remained low at 1.21% of total loans. Our net interest margin was 3.39%, up 14 basis points from the fourth quarter of 2009. Excluding the negative impact of non-performing assets, the net interest margin was 3.77% for the first quarter.

Our core deposits grew slightly compared to the fourth quarter of 2009. The mix of core deposits continued to improve with non-interest bearing demand deposits and money market accounts replacing higher priced time deposits. Salaries and other personnel expenses were \$104.0 million for the quarter, down \$7.1 million, or 6.4% from the first quarter of 2009. As of March 31, 2010, our tangible common equity to tangible assets ratio was 5.08%, our Tier 1 Capital Ratio was 9.69%, our Tier 1 common equity was 6.04%, and our total risk-based capital ratio was 13.04%.

Non-GAAP financial measures

The measures entitled pre-tax, pre-credit costs income; fundamental non-interest expense; net interest margin excluding the negative impact of non-performing assets; the tangible common equity to tangible assets ratio; and the tangible common equity to risk-weighted assets are not measures recognized under generally accepted accounting principles, or GAAP, and therefore

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are considered non-GAAP financial measures. The most comparable GAAP measures are income (loss) before income taxes, total non-interest expense, net interest margin, and the ratio of total common shareholders' equity to total 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 capitalization. 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 expenses such as goodwill impairment charges, restructuring charges, and Visa litigation expense (recovery). Fundamental non-interest expense is a measure used by management to evaluate core non-interest expense exclusive of other credit costs, FDIC insurance expense, restructuring charges, Visa litigation expense (recovery), and goodwill impairment charges. Net interest margin excluding the impact of non-performing assets is a measure used by management to measure the net interest margin exclusive of the impact of non-performing assets and associated net interest charge-offs on the net interest margin. Total risk-weighted assets is a required measure used by banks and financial institutions in reporting regulatory capital and regulatory capital ratios to federal and state regulatory agencies. The tangible common equity to tangible assets ratio and the tangible common equity to risk-weighted assets ratio are used by management and investment analysts to assess the strength of Synovus' capital position.

The computations of pre-tax, pre-credit costs income; fundamental non-interest expense; net interest margin excluding the impact of non-performing assets; the tangible common equity to tangible assets ratio; and the tangible common equity to risk-weighted assets, and the reconciliation of these measures to income (loss) before income taxes, total non-interest expense, net interest margin, total deposits, and the ratio of total common shareholders' equity to total assets are set forth in the tables below:

Reconciliation of non-GAAP financial measures

(dollars in thousands)	2010	March 31, 2009	2009	2008	2007	2006	December 31, 2005
Tangible Common Equity Ratios:							
Total risk-weighted assets	\$ 25,751,586	31,236,550	26,781,973	32,106,501	31,505,022	29,930,284	26,008,790
Total assets	\$ 32,439,438	34,547,432	32,831,418	35,786,269	33,064,481	30,496,950	26,401,120
Goodwill	(24,431)	(39,521)	(24,431)	(39,521)	(519,138)	(515,719)	(338,640)
Other intangible assets,	(15,556)	(20,064)	(16,649)	(21,266)	(28,007)	(35,693)	(29,260)
Tangible assets	\$ 32,399,451	34,487,847	32,790,338	35,725,482	32,517,336	29,945,538	26,033,220
	\$ 2,616,743	3,637,979	2,851,041	3,787,158	3,441,590	3,708,650	2,949,320

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al shareholders							
ity							
odwill	(24,431)	(39,521)	(24,431)	(39,521)	(519,138)	(515,719)	(338,64)
er intangible assets,							
	(15,556)	(20,064)	(16,649)	(21,266)	(28,007)	(35,693)	(29,26)
ulative perpetual							
ferred stock	(930,433)	(921,728)	(928,207)	(919,635)			
gible common							
ity	\$ 1,646,323	2,656,666	1,881,754	2,806,736	2,894,445	3,157,238	2,581,41
al common							
reholders equity to							
l assets(1)	5.20%	7.86	5.86%	8.01	10.41	12.16	11.1
gible common							
ity to tangible assets	5.08%	7.70	5.74%	7.86			