SYNOVUS FINANCIAL CORP
Form 424B5
February 07, 2012
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Filed pursuant to Rule 424(b)(5)
Registration No: 333-166300

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus do not constitute an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated February 7, 2012

Prospectus Supplement

(To Prospectus dated April 26, 2010)

Synovus Financial Corp.

$250,000,000

% Senior Notes due 2019

Interest payable and

Issue Price: *%*

The notes will mature on , 2019. Interest will accrue from , 2012. We may redeem the notes in whole or in part at any time at the redemption prices described on page S-19. There is no sinking fund for the notes.

See Risk factors beginning on page S-9 for a discussion of certain risks that you should consider in connection with an investment in the notes.

The notes will be senior unsecured obligations of Synovus Financial Corp. and will rank equally among themselves and with any future unsecured and unsubordinated indebtedness. The notes will not be guaranteed by any of our subsidiaries.

The notes are not a savings account, deposit or other obligation of any of our bank or nonbank subsidiaries. The notes are not insured by the Federal Deposit Insurance Corporation, or FDIC, or any other governmental agency or public or private insurer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this Prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Price to public	Underwriting discount	Proceeds to us before expenses
Per note	%	%	%
Total	$	$	$

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

The notes will be issued only in registered book-entry form, in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. We expect that delivery of the notes will be made to investors through the facilities of The Depository Trust Company against payment in New York, New York on or about , 2012. Beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by The Depository Trust Company and its direct and indirect participants, including Clearstream Banking, *société anonyme*, Luxembourg and Euroclear Bank S.A./N.V.

Sole Book-Running Manager

J.P. Morgan

, 2012

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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 the notes.

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 underwriters are 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.

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 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, 2010, as amended by amendment no. 1 on Form 10-K/A filed on April 26, 2011, or our 2010 10-K;

our quarterly reports on Form 10-Q or Form 10-Q/A for the quarters ended March 31, 2011, June 30, 2011 and September 30, 2011;

those portions of our definitive proxy statement on Schedule 14A filed on March 18, 2011 in connection with our 2011 annual meeting of shareholders that are incorporated by reference into our 2010 10-K; and

our current reports on Form 8-K filed on January 3, 2011, January 10, 2011, March 4, 2011, May 3, 2011, July 11, 2011, September 6, 2011 and December 23, 2011.

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 the notes 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 or telephone number:

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 notes 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. The registration statement may contain additional information that may be important to you.

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus we authorize that supplements this prospectus supplement. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

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 our beliefs, plans, objectives, goals, targets, expectations, anticipations, assumptions, estimates, intentions and future performance and involve known and unknown risks, many of which are beyond our control and

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which may cause our 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 our use of words such as believes, anticipates, expects, may, will, assumes, should, predicts, could, would, intends, projects, plans, potential and other similar words and expressions of the future or otherwise regarding the outlook for our 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 our 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 our ability to control or predict. These factors include, but are not limited to:

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

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

(3) continuing weakness in the residential and commercial real estate environment, which may negatively impact our ability to liquidate non-performing assets, and may result in continued elevated levels of non-performing assets and potential problem loans;

(4) the impact on our borrowing costs, capital costs and our liquidity due to further adverse changes in our credit ratings;

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

(6) the concentration of our non-performing assets by loan type, in certain geographic regions and with affiliated borrowing groups;

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

(8) restrictions or limitations on access to funds from historical and alternative sources of liquidity, combined with additional subsidiary capital deployment, could adversely affect our overall liquidity, which could restrict our ability to make payments on our obligations or dividend payments on our common stock and Series A preferred stock and our ability to support asset growth and sustain our operations and the operations of Synovus Bank;

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

(10) the risks that we may be required to undertake additional strategic initiatives or seek or deploy additional capital to satisfy applicable regulatory capital standards and pressures in light of expected increases in capital and liquidity requirements or as a result of supervisory actions or directives;

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(11) decreases in non-interest income and increases in non-interest expense due to, among other things, implementation of The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and other regulatory initiatives;

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

(13) risks related to the timing of the recoverability of our deferred tax asset, which is subject to considerable judgment, and the risk that even after the recovery of our deferred tax asset balance under GAAP, there will remain limitations on the ability to include our deferred tax assets for regulatory capital purposes;

(14) 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;

(15) the impact of our continued participation in the TARP and the U.S. Department of the Treasury Capital Purchase Program (CPP), including the impact of compensation and other restrictions imposed under TARP which affect our ability to attract, retain, and compensate talented executives and other employees and the impact of actions that we may be required to take to exit from the CPP and repay the outstanding preferred stock issued under the CPP;

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

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

(18) the continuing impact of the execution of our strategic plan and efficiency and growth initiatives announced in late 2010 and January 2011, including the risk that we may not maintain the annual levels of expense savings realized to date under the plan or achieve the revenue growth and other benefits from such initiatives;

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

(20) the costs of services and products provided 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;

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

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

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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 2010 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 us 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. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of new information or unanticipated events, except as may otherwise be required by law.

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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 the notes. You should pay special attention to the information contained under the caption entitled Risk factors in this prospectus supplement and Risk Factors in our 2010 10-K, as updated in our quarterly report on Form 10-Q for the quarter ended June 30, 2011, to determine whether an investment in the notes 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 locally-branded banking divisions of our wholly owned subsidiary bank, Synovus Bank, and other offices in Georgia, Alabama, South Carolina, Florida and Tennessee. As of September 30, 2011, we had approximately $28.3 billion in assets, $23.1 billion in total deposits and $2.8 billion in shareholders equity, and our banking divisions ranged in size from $206 million to $4.0 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.

Recent developments

On January 24, 2012, Synovus reported financial results for the quarter and year ended December 31, 2011, which included the following:

Return to profitability in the second half of 2011 Synovus reported net income available to common shareholders of $12.8 million for the fourth quarter of 2011, compared to net income of $15.7 million for the third quarter of 2011, and a net loss of $180.0 million in the fourth quarter of 2010. Diluted net income per common share for the fourth quarter of 2011 was $0.014, compared to diluted net income per common share of $0.017 for the third quarter of 2011, and a net loss per common share of $0.229 for the fourth quarter of 2010. The fourth quarter of 2011 results include net investment securities gains of $10.3 million (compared to $62.9 million for the third quarter of 2011) as well as a $5.9 million charge related to Synovus indemnification obligation as a member of the VISA USA network. For 2011, Synovus reported a net loss attributable to common shareholders of $118.7 million, an 86.0% improvement compared to a net loss attributable to common shareholders of $848.2 million for 2010.

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Continued improvement in credit metrics Total credit costs were $568.1 million in 2011, a 57.3% decline from $1.33 billion in 2010. Total net charge-offs were $585.8 million in 2011, a 57.3% decline from $1.37 billion in 2010.

Continued disposition of distressed assets New non-performing loan inflows were $948.8 million in 2011, a 40.2% improvement from $1.59 billion in 2010. During 2011, we continued to execute on our strategy to dispose of distressed assets and disposed of $702.5 million of distressed assets. As a result, non-performing assets have continued to decline at a steady pace and were $1.12 billion at December 31, 2011, a 12.7% decline from December 31, 2010, and a 39.4% decline from the peak in the first quarter of 2010. The total write-downs and allowance on total non-performing assets at December 31, 2011 is approximately 43%.

Net interest margin Net interest margin in the fourth quarter of 2011 was 3.52%, an increase of five basis points from the third quarter of 2011 and an increase of fifteen basis points from the fourth quarter of 2010.

Focus on expense control In 2011, we realized a $105.8 million or a 10.5% reduction in total non-interest expense, and a $95.3 million or 11.7% reduction in core non-interest expense. See Reconciliation of non-GAAP financial measures . Total reported non-interest expense for 2011 was $903.8 million compared to $1.01 billion for 2010. The total number of employees at December 31, 2011 was 5,224, a decrease of 885, compared to 6,109 at December 31, 2010.

Balance sheet At December 31, 2011, total assets were $27.2 billion, total deposits were $22.4 billion and total shareholders equity was $2.8 billion.

These results have not been audited or reviewed by our registered independent public accountants, nor have any other review procedures been performed by them with respect to these results. Accordingly, no opinion or any other form of assurance can be provided with respect to this information. Our actual results could differ from these estimates based on the completion of the review and audit process.

Concurrent tender offer

Concurrently with this offering, we are offering to purchase up to approximately $206.8 million in aggregate principal amount of our outstanding 4.875% Subordinated Notes due February 15, 2013, or 2013 notes. We intend to use a portion of the net proceeds of this offering to pay the consideration in the tender offer. This offering is not conditioned on any minimum amount of the 2013 notes being tendered in the tender offer.

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The offering

The following summary contains basic information about the notes and is not complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, you should read the section of this prospectus supplement entitled Description of the notes.

Issuer	Synovus Financial Corp.
Securities offered	$250,000,000 aggregate principal amount of % Senior Notes due 2019
Issue price	%
Issue date	, 2012
Maturity date	The notes will mature on , 2019.
Interest payment dates	Interest will accrue from , 2012 and will be payable on and of each year, commencing , 2012.
Record dates	and
Day count convention	Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.
No guarantees	The notes are not guaranteed by any of our subsidiaries. As a result, the notes will be structurally subordinated to the liabilities of our subsidiaries as discussed below under Ranking.
Ranking	The notes will be our senior unsecured obligations and will rank equally among themselves and with any future unsecured and unsubordinated indebtedness, and senior to our existing and future subordinated and junior subordinated indebtedness, and will be effectively subordinated to our future secured indebtedness to the extent of the value of the collateral securing such indebtedness, and structurally subordinated to the existing and future indebtedness of our subsidiaries.

As of September 30, 2011:

- we had no outstanding unsecured and unsubordinated indebtedness;
- we had approximately $700.7 million in subordinated and junior subordinated indebtedness issued by Synovus Financial Corp.; and

we had approximately $788.8 million in long-term debt issued by our subsidiaries, which, together with approximately $23.9 billion in other outstanding debt and other liabilities, including deposits, of our consolidated subsidiaries, would rank structurally senior to the notes in case of liquidation or otherwise.

The indenture does not limit the amount of additional indebtedness we or our subsidiaries may incur.

Optional redemption	We may redeem the notes in whole or in part at any time at the redemption prices described on page S-19.
Sinking fund	There is no sinking fund for the notes.
Future issuances	The notes will initially be limited to an aggregate principal amount of $250,000,000. We may from time to time, without notice to or consent of the holders, increase the aggregate principal amount of the notes outstanding by issuing additional notes in the future with the same terms as the notes, except for the issue date and offering price, and such additional notes shall be consolidated with the notes issued in this offering and form a single series.
Use of proceeds	We estimate that the net proceeds from this offering, after deducting underwriting discounts and commissions and estimated expenses, will be approximately $ million. We intend to use a portion of the net proceeds to purchase up to approximately $206.8 million aggregate principal amount of our outstanding 2013 notes pursuant to a tender offer, and to pay the fees and expenses of the tender offer. There can be no assurance that our offer to purchase the 2013 notes will be completed as contemplated. We intend to use any remaining balance for general corporate purposes. See Use of proceeds.
Form and denomination	The notes will be offered in book-entry form through the facilities of The Depository Trust Company in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Listing	The notes will not be listed on any securities exchange.
Governing law	The notes and the indenture pursuant to which we will issue the notes will be governed by the laws of the State of New York.
Trustee	The Bank of New York Mellon Trust Company, N.A.
No prior market	The notes will be new securities for which there is no existing market. Although the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so, and they may discontinue market-making activities at any time without notice. We cannot assure you that an active or liquid market for the notes will develop or be maintained.
Risk factors	An investment in the notes involves risks. You should carefully consider the information contained under Risk factors in this prospectus supplement and in our 2010 10-K, as updated in our quarterly report on Form 10-Q for the quarter ended June 30, 2011, as well as other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our financial statements and the notes thereto, before making an investment decision.

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Summary consolidated financial and other data

The following table sets forth summary consolidated financial and other data of Synovus. The financial data as of and for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 have been derived from our audited consolidated financial statements contained in our Annual Reports on Form 10-K or Form 10-K/A filed with the SEC, except for tangible common equity to risk-weighted assets ratio and tangible common equity to tangible assets ratio, which are reconciled below under Reconciliation of non-GAAP financial measures. The financial data as of and for the nine months ended September 30, 2011 and 2010 have been derived from our unaudited consolidated financial statements contained in our Quarterly Reports on Form 10-Q filed with the SEC, except for the non-GAAP measures noted above which are reconciled as provided below. The summary consolidated financial results are not indicative of our expected future operating results. The following summary consolidated financial information should be read together with Management s Discussion and Analysis of Financial Condition and Results of Operations in our 2010 10-K and our quarterly report on Form 10-Q for the quarter ended September 30, 2011, together with the historical consolidated financial statements and notes thereto, incorporated by reference into this prospectus supplement and the accompanying prospectus.

	For nine months ended September 30, 2011	2010	For year ended December 31, 2010	2009	2008	2007	2006
	(dollars in thousands, except per share data)						
Income statement:							
Total revenues(a)	$ 897,773	$ 970,865	$ 1,292,951	$ 1,406,913	$ 1,495,089	$ 1,519,606	$ 1,472,347
Net interest income	696,998	744,366	986,333	1,010,310	1,077,893	1,148,948	1,125,789
Provision for losses on loans	364,230	878,872	1,131,274	1,805,599	699,883	170,208	75,148
Non-interest income(b)	265,405	225,456	305,347	410,670	417,241	371,638	344,440
Non-interest expense	684,683	780,570	1,009,576	1,221,289	1,456,057	830,343	756,746
(Loss) income from continuing operations, net of income taxes	(88,200)	(668,586)	(834,019)	(1,433,931)	(580,376)	337,969	410,431
Income from discontinued operations, net of income taxes and minority interest(c)		43,162	43,162	4,590	5,650	188,336	206,486
Net (loss) income	(88,200)	(625,424)	(790,857)	(1,429,341)	(574,726)	526,305	616,917
Net (loss) income attributable to non-controlling interest	(220)	(313)	(179)	2,364	7,712		
Net (loss) income attributable to controlling interest	(87,980)	(625,111)	(790,678)	(1,431,705)	(582,438)	526,305	616,917
Dividends on and accretion of discount on preferred stock	43,510	43,079	57,510	56,966	2,057		
Net (loss) income available to common shareholders	(131,490)	(668,190)	(848,188)	(1,488,671)	(584,495)	526,305	616,917
Per share data:							
Basic earnings (loss) per common share:							
(Loss) income from continuing operations	$ (0.17)	$ (1.09)	$ (1.30)	$ (4.00)	$ (1.79)	$ 1.03	$ 1.28
Net (loss) income	(0.17)	(1.03)	(1.24)	(3.99)	(1.77)	1.61	1.92
Diluted earnings (loss) per common share:							
(Loss) income from continuing operations	(0.17)	(1.09)	(1.30)	(4.00)			