



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Synovus Financial Corporation

Person to be contacted regarding this report:	Mark Holladay	RSSD: (For Bank Holding Companies)	1078846
UST Sequence Number:	100	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	967,870,000	FDIC Certificate Number: (For Depository Institutions)	
CPP Funds Repaid to Date:	0	City:	Columbus
Date Funded (first funding):	Dec 19, 2008	State:	Georgia
Date Repaid <sup>1</sup> :	N/A		

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The CPP investment helped support lending. While total loans declined \$2.5 billion, new and renewed loans totaled \$15 billion in 2009. We were able to meet the loan demand in our markets. To maintain 4Q09 capital levels without CPP, total loans could have declined an additional \$7 billion.
<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	The Allowance for Loan Losses increased \$387.6 million from YE2008 to YE2009. The increase includes a disposition reserve of \$300 million created during 2009 to accelerate the liquidation of troubled assets. Provision expense for 2009 was \$1.8 billion, which also funded charge-offs.
<input checked="" type="checkbox"/>	Reduce borrowings	The CPP investment provided \$968 million of additional liquidity which reduced funding needs.
<input checked="" type="checkbox"/>	Increase charge-offs	In 2009, we experienced a higher level of charge-offs due to the accelerated disposition strategy. Net charge-offs for 2008 totaled approximately \$470 million and net charge-offs for 2009 totaled \$1.46 billion. This is an increase of \$990 million.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

Synovus was able to avoid a loss of consumer confidence in our depository institutions. Loss of confidence could have led to a severe liquidity crisis if capital had not been adequate. Capital levels were impacted by increased credit losses and reserves for problem assets in 2009.

Core deposits have remained stable at \$22.3 billion at YE2008 vs. \$22.4 billion at YE2009.

Synovus was able to avoid reducing existing commitments or shutting down the lending function as a capital preservation measure. In addition, Synovus was able to avoid a severe regulatory downgrade that may have occurred without the CPP capital and the subsequent capital raise.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The CPP capital was blended with existing levels of capital. Our assessment reflects the material uses of capital during 2009. This program was vital to the viability of our company as the economy continued to deteriorate and losses increased during 2009. After the CPP capital injection, Synovus was able to raise \$571 million in additional capital through a common stock offering in September 2009, which further strengthened our financial position. Management believes that our ability to raise the capital and the level of capital that was raised would have been negatively impacted without the initial capital injection through the CPP Program.

Our Tier 1 Common Equity Ratio was 6.42% on June 30, 2009 (prior to the equity capital raise) and 7.18% on September 30, 2009, (after the equity capital raise.)

The CPP Program also allowed us to aggressively address and dispose of problem assets.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.