

SYNOVUS FINANCIAL CORP

Form DEF 14A

March 19, 2007

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SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 - Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 - Definitive Proxy Statement
 - Definitive Additional Materials
 - Soliciting Material Pursuant to Section 240.14a-12
- Synovus Financial Corp.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

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- No fee required.
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3) Filing Party:

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Richard E. Anthony
Chairman of the Board and
Chief Executive Officer

March 23, 2007

Dear Shareholder:

You are cordially invited to attend our Annual Meeting of Shareholders at 10:00 a.m. on Wednesday, April 25, 2007, at the RiverCenter for the Performing Arts, 900 Broadway, Columbus, Georgia 31901. Enclosed with this Proxy Statement are your proxy card and the 2006 Annual Report.

We hope that you will be able to be with us and let us give you a review of 2006. If you are unable to attend the meeting, you can listen to it live and view the slide presentation over the Internet. You can access the meeting by going to our website at www.synovus.com. Additionally, we will maintain copies of the slides and audio of the presentation to the 2007 Annual Meeting on the website for reference after the meeting.

Whether you own a few or many shares of stock and whether or not you plan to attend in person, it is important that your shares be voted on matters that come before the meeting. To make sure your shares are represented, we urge you to vote promptly.

Thank you for helping us make 2006 a good year. We look forward to your continued support in 2007 and another good year.

Sincerely yours,

Richard E. Anthony

Synovus Financial Corp.

Post Office Box 120

Columbus, Georgia 31902-0120

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SYNOVUS®

NOTICE OF THE 2007 ANNUAL MEETING OF SHAREHOLDERS

TIME	10:00 a.m. Wednesday, April 25, 2007
PLACE	RiverCenter for the Performing Arts 900 Broadway Columbus, Georgia 31901
ITEMS OF BUSINESS	(1) To elect 18 directors. (2) To approve the Synovus Financial Corp. 2007 Omnibus Plan. (3) To ratify the appointment of KPMG LLP as Synovus independent auditor for the year 2007. (4) To consider a shareholder proposal regarding director election by majority vote. (5) To transact such other business as may properly come before the meeting and any adjournment thereof.
WHO MAY VOTE	You can vote if you were a shareholder of record on February 20, 2007.
ANNUAL REPORT	A copy of the Annual Report is enclosed.
PROXY VOTING	Your vote is important. Please vote in one of these ways: (1) Use the toll-free telephone number shown on the proxy card; (2) Visit the website listed on your proxy card; (3) Mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope provided; or (4) Submit a ballot at the Annual Meeting.

G. Sanders Griffith, III
Secretary

Columbus, Georgia
March 23, 2007

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING,
PLEASE VOTE YOUR SHARES PROMPTLY.**

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**PROXY STATEMENT
VOTING INFORMATION**

Purpose

This Proxy Statement and the accompanying proxy card are being mailed to Synovus shareholders beginning on or about March 23, 2007. The Synovus Board of Directors is soliciting proxies to be used at the 2007 Annual Meeting of Synovus Shareholders which will be held on April 25, 2007, at 10:00 a.m., at the RiverCenter for the Performing Arts, 900 Broadway, Columbus, Georgia. Proxies are solicited to give all shareholders of record an opportunity to vote on matters to be presented at the Annual Meeting. In the following pages of this Proxy Statement, you will find information on matters to be voted upon at the Annual Meeting of Shareholders or any adjournment of that meeting.

Who Can Vote

You are entitled to vote if you were a shareholder of record of Synovus stock as of the close of business on February 20, 2007. Your shares can be voted at the meeting only if you are present or represented by a valid proxy.

Quorum and Shares Outstanding

A majority of the votes entitled to be cast by the holders of the outstanding shares of Synovus stock must be present, either in person or represented by proxy, in order to conduct the Annual Meeting of Synovus Shareholders. On February 20, 2007, 326,607,166 shares of Synovus stock were outstanding.

Proxy Card

The Board has designated two individuals to serve as proxies to vote the shares represented by proxies at the Annual Meeting of Shareholders. If you properly submit a proxy but do not specify how you want your shares to be voted, your shares will be voted by the designated proxies in accordance with the Board's recommendations as follows:

FOR:

The election of all the director nominees;

The approval of the Synovus Financial Corp. 2007 Omnibus Plan; and

The ratification of the appointment of KPMG LLP as Synovus' independent auditor for the year 2007;

and AGAINST:

The shareholder proposal regarding director election by majority vote.

The designated proxies will vote in their discretion on any other matter that may properly come before the meeting. At the date the Proxy Statement went to press, we did not anticipate that any other matters would be raised at the Annual Meeting.

Voting of Shares

Holders of Synovus stock are entitled to ten votes on each matter submitted to a vote of shareholders for each share of Synovus stock owned on February 20, 2007 which: (i) has had the same owner since February 20, 2003; (ii) was acquired by reason of participation in a dividend reinvestment plan offered by Synovus and is held by the same owner who acquired it under such plan; (iii) is held by the same owner to whom it was issued as a result of an acquisition of a company or business by Synovus where the resolutions adopted by Synovus Board of Directors approving the acquisition specifically grant ten votes per share; (iv) was acquired under any employee, officer and/or director benefit plan maintained for one or more employees, officers

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and/or directors of Synovus and/or its subsidiaries, and is held by the same owner for whom it was acquired under any such plan; (v) is held by the same owner to whom it was issued by Synovus, or to whom it was transferred by Synovus from treasury shares, and the resolutions adopted by Synovus Board of Directors approving such issuance and/or transfer specifically grant ten votes per share; (vi) was acquired as a direct result of a stock split, stock dividend or other type of share distribution if the share as to which it was distributed was acquired prior to, and has been held by the same owner since, February 20, 2003; (vii) has been owned continuously by the same shareholder for a period of 48 consecutive months prior to the record date of any meeting of shareholders at which the share is eligible to be voted; or (viii) is owned by a holder who, in addition to shares which are owned under the provisions of (i)-(vii) above, is the owner of less than 1,139,063 shares of Synovus stock (which amount has been appropriately adjusted to reflect stock splits and with such amount to be appropriately adjusted to properly reflect any other change in Synovus stock by means of a stock split, a stock dividend, a recapitalization or otherwise). Shareholders of shares of Synovus stock not described above are entitled to one vote per share for each share. The actual voting power of each holder of shares of Synovus stock will be based on information possessed by Synovus at the time of the Annual Meeting.

As Synovus stock is registered with the Securities and Exchange Commission and is traded on the New York Stock Exchange, Synovus stock is subject to the provisions of an NYSE rule which, in general, prohibits a company's common stock and equity securities from being authorized or remaining authorized for trading on the NYSE if the company issues securities or takes other corporate action that would have the effect of nullifying, restricting or disparately reducing the voting rights of existing shareholders of the company. However, the rule contains a grandfather provision, under which Synovus ten vote provision falls, which, in general, permits grandfathered disparate voting rights plans to continue to operate as adopted. The number of votes that each shareholder will be entitled to exercise at the Annual Meeting will depend upon whether each share held by the shareholder meets the requirements which entitle one share of Synovus stock to ten votes on each matter submitted to a vote of shareholders. Shareholders of Synovus stock must complete the Certification on the proxy in order for any of the shares represented by the proxy to be entitled to ten votes per share. All shares entitled to vote and represented in person or by properly completed proxies received before the polls are closed at the Annual Meeting, and not revoked or superseded, will be voted in accordance with instructions indicated on those proxies.

SHAREHOLDERS WHO DO NOT CERTIFY ON THEIR PROXIES SUBMITTED BY MAIL, INTERNET OR PHONE THAT THEY ARE ENTITLED TO TEN VOTES PER SHARE WILL BE ENTITLED TO ONLY ONE VOTE PER SHARE.

Synovus Dividend Reinvestment and Direct Stock Purchase Plan: If you participate in this Plan, your proxy card represents shares held in the Plan, as well as shares you hold directly in certificate form registered in the same name.

Required Votes

Directors are elected by a plurality of the votes cast, which means the 18 nominees who receive the largest number of properly executed votes will be elected as directors. Cumulative voting is not permitted. Shares that are represented by proxies which are marked withhold authority for the election of one or more director nominees will not be counted in determining the number of votes cast for those persons.

The affirmative vote of a majority of the votes cast is needed to approve the Synovus Financial Corp. 2007 Omnibus Plan, ratify the appointment of KPMG LLP as Synovus independent auditor for 2007 and approve the shareholder proposal regarding director election by majority vote.

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Tabulation of Votes

Under certain circumstances, brokers are prohibited from exercising discretionary authority for beneficial owners who have not returned proxies to the brokers (a broker non-vote). In these cases, and in cases where the shareholder abstains from voting on a matter, those shares will be counted for the purpose of determining if a quorum is present, but will not be included as votes cast with respect to those matters and, therefore, will have no effect on the vote with respect to any proposal.

How You Can Vote

You may vote by proxy or in person at the meeting. To vote by proxy, you may select one of the following options:

Vote By Telephone:

You can vote your shares by telephone by calling the toll-free telephone number (at no cost to you) shown on your proxy card. Telephone voting is available 24 hours a day, seven days a week. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. Our telephone voting procedures are designed to authenticate the shareholder by using individual control numbers. If you vote by telephone, you do NOT need to return your proxy card.

Vote By Internet:

You can also choose to vote on the Internet. The website for Internet voting is shown on your proxy card. Internet voting is available 24 hours a day, seven days a week. You will be given the opportunity to confirm that your instructions have been properly recorded, and you can consent to view future proxy statements and annual reports on the Internet instead of receiving them in the mail. If you vote on the Internet, you do NOT need to return your proxy card.

Vote By Mail:

If you choose to vote by mail, simply mark your proxy card, date and sign it, sign the Certification and return it in the postage-paid envelope provided.

Revocation of Proxy

If you vote by proxy, you may revoke that proxy at any time before it is voted at the meeting. You may do this by (a) signing another proxy card with a later date and returning it to us prior to the meeting, (b) voting again by telephone or on the Internet prior to the meeting, or (c) attending the meeting in person and casting a ballot.

CB&T and Total System Services, Inc.

Synovus is the owner of all of the issued and outstanding shares of common stock of Columbus Bank and Trust Company® (CB&T). CB&T owns individually 81.1% of the outstanding shares of Total System Services, Inc. (TSY\$), an electronic payment processing company.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Corporate Governance Philosophy

The business affairs of Synovus are managed under the direction of the Board of Directors in accordance with the Georgia Business Corporation Code, as implemented by Synovus' Articles of Incorporation and bylaws. The role of the Board of Directors is to effectively govern the affairs of Synovus for the benefit of its shareholders and other constituencies. The Board strives to ensure the success and continuity of business through the election of qualified management. It is also responsible for ensuring that Synovus' activities are conducted in a responsible and ethical manner. Synovus is committed to having sound corporate governance principles.

Independence

The listing standards of the New York Stock Exchange provide that a director does not qualify as independent unless the Board of Directors affirmatively determines that the director has no material relationship with Synovus. The Board has established categorical standards of independence to assist it in determining director independence which conform to the independence requirements in the NYSE listing standards. The categorical standards of independence are incorporated within our Corporate Governance Guidelines, are attached to this Proxy Statement as Appendix A and are also available in the Corporate Governance Section of our website at www.synovus.com/governance.

The Board has determined that a majority of its members are independent as defined by the listing standards of the NYSE and meet the categorical standards of independence set by the Board. Synovus' Board has determined that the following directors are independent: Daniel P. Amos, Richard Y. Bradley, Frank W. Brumley, Elizabeth W. Camp, C. Edward Floyd (who retired as a director in 2006), T. Michael Goodrich, V. Nathaniel Hansford, John P. Illges, III (who retired as a director in 2006), Mason H. Lampton, Elizabeth C. Ogie, H. Lynn Page, J. Neal Purcell, Melvin T. Stith and William B. Turner, Jr. Please see "Certain Relationships and Related Transactions" on page 46 which includes information with respect to immaterial relationships between Synovus and its independent directors. This information was considered by the Board in determining a director's independence from Synovus under Synovus' categorical standards of independence and the NYSE listing standards.

Attendance at Meetings

The Board of Directors held four meetings in 2006. All directors attended at least 75% of Board and committee meetings held during their tenure during 2006 except James H. Blanchard. Mr. Blanchard attended all four meetings of the Board of Directors but was absent from three of the five Executive Committee meetings. The average attendance by directors at the aggregate number of Board and committee meetings they were scheduled to attend was 94%. Although Synovus has no formal policy with respect to Board members' attendance at its annual meetings, it is customary for all Board members to attend as there is a Board meeting immediately preceding the annual meeting. All of Synovus' directors who were serving at the time attended the 2006 Annual Meeting of Shareholders.

Committees of the Board

Synovus' Board of Directors has four principal standing committees – an Executive Committee, an Audit Committee, a Corporate Governance and Nominating Committee and a Compensation Committee. Each committee has a written charter adopted by the Board of Directors that complies with the listing standards of the NYSE pertaining to corporate governance. Copies of the committee charters are available in the Corporate Governance section of our website at www.synovus.com/governance. The Board has determined that each member of the Audit, Corporate Governance and Nominating and Compensation Committees is an

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independent director as defined by the listing standards of the NYSE and our Corporate Governance Guidelines. The following table shows the membership of the various committees.

Executive	Audit	Corporate Governance and Nominating	Compensation
V. Nathaniel Hansford, Chair	J. Neal Purcell, Chair	Richard Y. Bradley, Chair	V. Nathaniel Hansford, Chair
Richard E. Anthony	Elizabeth W. Camp	Daniel P. Amos	T. Michael Goodrich
James H. Blanchard	H. Lynn Page	Frank W. Brumley	Mason H. Lampton
Richard Y. Bradley	Melvin T. Stith	Elizabeth C. Ogie	
Gardiner W. Garrard, Jr.			
T. Michael Goodrich			
Mason H. Lampton			
J. Neal Purcell			
James D. Yancey			

Executive Committee. Synovus Executive Committee held five meetings in 2006. During the intervals between meetings of Synovus Board of Directors, Synovus Executive Committee possesses and may exercise any and all of the powers of Synovus Board of Directors in the management and direction of the business and affairs of Synovus with respect to which specific direction has not been previously given by Synovus Board of Directors unless Board action is required by Synovus governing documents, law or rule.

Audit Committee. Synovus Audit Committee held 11 meetings in 2006. Its Report is on page 27. The Board has determined that all four members of the Committee are independent and financially literate under the rules of the NYSE and that at least one member, J. Neal Purcell, is an audit committee financial expert as defined by the rules of the Securities and Exchange Commission. The primary functions of Synovus Audit Committee include:

Monitoring the integrity of Synovus financial statements, Synovus systems of internal controls and Synovus compliance with regulatory and legal requirements;

Monitoring the independence, qualifications and performance of Synovus independent auditor and internal auditing activities; and

Providing an avenue of communication among the independent auditor, management, internal audit and the Board of Directors.

Corporate Governance and Nominating Committee. Synovus Corporate Governance and Nominating Committee held three meetings in 2006. The primary functions of Synovus Corporate Governance and Nominating Committee include:

Identifying qualified individuals to become Board members;

Recommending to the Board the director nominees for each annual meeting of shareholders and director nominees to be elected by the Board to fill interim director vacancies;

Overseeing the annual review and evaluation of the performance of the Board and its committees; and

Developing and recommending to the Board corporate governance guidelines.

Compensation Committee. Synovus Compensation Committee held six meetings in 2006. Its Report is on page 38. The primary functions of Synovus Compensation Committee include:

Designing and overseeing Synovus executive compensation program;

Designing and overseeing all compensation and benefit programs in which employees and officers of Synovus are eligible to participate; and

Performing an annual evaluation of the Chief Executive Officer.

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The Compensation Committee's charter reflects these responsibilities and allows the Committee to delegate any matters within its authority to individuals or subcommittees it deems appropriate. In addition, the Committee has the authority under its charter to retain outside advisors to assist the Committee in the performance of its duties. In July 2005, the Committee retained the services of Hewitt Associates for 2005 and 2006 to:

Provide ongoing recommendations regarding executive compensation consistent with Synovus' business needs, pay philosophy, market trends and latest legal and regulatory considerations;

Provide market data for base salary, short-term incentive and long-term incentive decisions; and

Advise the Committee as to best practices.

Hewitt was engaged directly by the Committee, although the Committee also directed that Hewitt continue to work with Synovus' management. Synovus' Director of Human Resources and his staff develop executive compensation recommendations for the Committee's consideration in conjunction with Synovus' Chief Executive Officer and Chief People Officer and with the advice of Hewitt Associates.

Synovus' Director of Human Resources works with the Chairman of the Committee to establish the agenda for Committee meetings. Management also prepares background information for each Committee meeting. Synovus' Chief People Officer and Director of Human Resources attend all Committee meetings, while Synovus' Chief Executive Officer attends some Committee meetings, such as the Committee meeting in which his performance is reviewed with the Committee or other meetings upon the request of the Committee. The Chief Executive Officer, Chief People Officer and the Director of Human Resources do not have authority to vote on Committee matters. A compensation consultant with Hewitt Associates also attends some Committee meetings upon the request of the Committee.

Compensation Committee Interlocks and Insider Participation. Messrs. Hansford, Goodrich and Lampton served on the Compensation Committee during 2006. None of these individuals is or has been an officer or employee of Synovus.

Consideration of Director Candidates

Shareholder Candidates. The Corporate Governance and Nominating Committee will consider candidates for nomination as a director submitted by shareholders. Although the Committee does not have a separate policy that addresses the consideration of director candidates recommended by shareholders, the Board does not believe that such a separate policy is necessary as Synovus' bylaws permit shareholders to nominate candidates and as one of the duties set forth in the Corporate Governance and Nominating Committee charter is to review and consider director candidates submitted by shareholders. The Committee will evaluate individuals recommended by shareholders for nomination as directors according to the criteria discussed below and in accordance with Synovus' bylaws and the procedures described under Shareholder Proposals and Nominations on page 53.

Director Qualifications. Synovus' Corporate Governance Guidelines contain Board membership criteria considered by the Corporate Governance and Nominating Committee in recommending nominees for a position on Synovus' Board. The Committee believes that, at a minimum, a director candidate must possess personal and professional integrity, sound judgment and forthrightness. A director candidate must also have sufficient time and energy to devote to the affairs of Synovus, be free from conflicts of interest with Synovus, must not have reached the retirement age for Synovus directors and be willing to make, and financially capable of making, the required investment in Synovus stock pursuant to Synovus' Director Stock Ownership

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Guidelines. The Committee also considers the following criteria when reviewing a director candidate:

The extent of the director s/potential director s business acumen and experience;

Whether the director/potential director assists in achieving a mix of Board members that represents a diversity of background and experience, including with respect to age, gender, race, place of residence and specialized experience;

Whether the director/potential director meets the independence requirements of the listing standards of the NYSE;

Whether the director/potential director would be considered a financial expert or financially literate as defined in the listing standards of the NYSE;

Whether the director/potential director, by virtue of particular technical expertise, experience or specialized skill relevant to Synovus current or future business, will add specific value as a Board member; and

Whether the director/potential director possesses a willingness to challenge and stimulate management and the ability to work as part of a team in an environment of trust.

Identifying and Evaluating Nominees

The Corporate Governance and Nominating Committee has two primary methods for identifying director candidates (other than those proposed by Synovus shareholders, as discussed above). First, on a periodic basis, the Committee solicits ideas for possible candidates from a number of sources including members of the Board, Synovus executives and individuals personally known to the members of the Board. Second, the Committee is authorized to use its authority under its charter to retain at Synovus expense one or more search firms to identify candidates (and to approve such firms fees and other retention terms).

The Committee will consider all director candidates identified through the processes described above, and will evaluate each of them, including incumbents, based on the same criteria. The director candidates are evaluated at regular or special meetings of the Committee and may be considered at any point during the year. If based on the Committee s initial evaluation a director candidate continues to be of interest to the Committee, the Chair of the Committee will interview the candidate and communicate his evaluation to the other Committee members and executive management. Additional interviews are conducted, if necessary, and ultimately the Committee will meet to finalize its list of recommended candidates for the Board s consideration. One nominee for election as a director, Frederick L. Green, III, has not previously been elected by the shareholders of Synovus. Mr. Green was recommended to the Committee for consideration as a director nominee by the chief executive officer of Synovus.

Meetings of Non-Management and Independent Directors

The non-management directors of Synovus meet separately at least four times a year after each regularly scheduled meeting of the Board of Directors. Synovus independent directors meet at least once a year. V. Nathaniel Hansford, Synovus Lead Director, presides at the meetings of non-management and independent directors.

Communicating with the Board

Synovus Board provides a process for shareholders and other interested parties to communicate with one or more members of the Board, including the Lead Director, or the non-management or independent directors as a group.

Shareholders and other interested parties may communicate with the Board by writing the Board of Directors, Synovus Financial Corp., c/o General Counsel's Office, 1111 Bay Avenue, Suite 500, Columbus, Georgia 31901 or by calling (800)240-1242. These procedures are also available in the Corporate Governance section of our website at www.synovus.com/governance. Synovus' process for handling shareholder and other communications to the Board has been approved by Synovus' independent directors.

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Synovus has adopted Corporate Governance Guidelines which are regularly reviewed by the Corporate Governance and Nominating Committee. We have also adopted a Code of Business Conduct and Ethics which is applicable to all directors, officers and employees. In addition, we maintain procedures for the confidential, anonymous submission of any complaints or concerns about Synovus, including complaints regarding accounting, internal accounting controls or auditing matters. Shareholders may access Synovus' Corporate Governance Guidelines, Code of Business Conduct and Ethics, each committee's current charter, procedures for shareholders and other interested parties to communicate with the Lead Director or with the non-management or independent directors individually or as a group and procedures for reporting complaints and concerns about Synovus, including complaints concerning accounting, internal accounting controls and auditing matters in the Corporate Governance section of our website at www.synovus.com/governance. Copies of these documents are also available in print upon written request to the Corporate Secretary, Synovus Financial Corp., 1111 Bay Avenue, Suite 500, Columbus, Georgia 31901.

DIRECTOR COMPENSATION***Director Compensation Table***

The following table summarizes the compensation paid by Synovus to directors for the year ended December 31, 2006.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	All Other Compensation (\$)	Total (\$)
Daniel P. Amos	\$ 40,000	\$ 8,773	\$ 10,000(2)	\$ 54,237
Richard Y. Bradley	55,000	8,773	67,551(3)	126,788
Frank W. Brumley	40,000	8,773	18,850(2)(3)	63,087
Elizabeth W. Camp	45,000	8,773	15,000(2)(3)	64,237
C. Edward Floyd, M.D.(4)	40,000	23,315	16,500(2)(3)	60,737
Gardiner W. Garrard, Jr.	45,000	8,773	67,551(3)	116,788
T. Michael Goodrich	50,000	8,773	20,000(2)(3)	74,237
V. Nathaniel Hansford	60,000	8,773	24,305(2)(3)	88,542
John P. Illges, III(5)	45,000	23,315	57,151(3)	106,388
Alfred W. Jones III	35,000	8,773	58,451(2)(3)	97,688
Mason H. Lampton	50,000	8,773	72,051(2)(3)	126,288
Elizabeth C. Ogie	40,000	8,773	3,000(3)	47,237
H. Lynn Page	45,000	8,773	77,551(3)	126,788
J. Neal Purcell	65,000	8,773	10,000(2)	79,237
Melvin T. Stith	45,000	8,773	10,000(2)	59,237
William B. Turner, Jr.	35,000	8,773	8,500(3)	47,737
James D. Yancey	45,000	8,773	141,222(2)(3)(6)	190,459

**

Compensation for Messrs. Blanchard, Anthony and Green for service on the Synovus Board is described under the Summary Compensation Table found on page 39.

- (1) The grant date fair value of the 500 shares of restricted Synovus stock awarded to each director in 2006 was \$13,865. The amount in this column reflects the dollar amount recognized for financial statement reporting purposes for the year ended December 31, 2006 in accordance with FAS 123(R) and includes amounts from awards granted in 2006 and prior to 2006. For a discussion of the restricted stock awards reported in this column, see Note 15 of Notes to Consolidated Financial Statements in the Financial Appendix. At December 31, 2006, each director held an aggregate of 1,000 shares of restricted Synovus stock, none of which are vested, with the exception of Messrs. Floyd and Illges whose shares vested upon retirement as a director.

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- (2) Includes \$10,000 in contributions made by Synovus under Synovus Director Stock Purchase Plan. As described more fully below, qualifying directors can elect to contribute up to \$5,000 per calendar quarter to make purchases of Synovus stock, and Synovus contributes an additional amount equal to 50% of the directors cash contributions under the plan.
- (3) Includes compensation of \$67,551 for Messrs. Bradley, Garrard and Yancey, \$8,850 for Mr. Brumley, \$5,000 for Ms. Camp, \$6,500 for Dr. Floyd, \$10,000 for Mr. Goodrich, \$14,305 for Mr. Hansford, \$57,151 for Mr. Illges, \$48,451 for Mr. Jones, \$62,051 for Mr. Lampton, \$3,000 for Ms. Ogie, \$77,551 for Mr. Page and \$8,500 for Mr. Turner for service as a director of certain of Synovus subsidiaries.
- (4) Upon reaching the age of 72 in May 2006, Dr. Floyd retired as a director and became an emeritus director of Synovus pursuant to Synovus bylaws.
- (5) Upon reaching the age of 72 in December 2006, Mr. Illges retired as a director and became an emeritus director of Synovus pursuant to Synovus bylaws.
- (6) Includes perquisite of \$53,835 for providing Mr. Yancey with administrative assistance. Also includes incremental costs incurred by Synovus, if any, for providing Mr. Yancey with office space, security alarm monitoring and spousal entertainment (recreational activities at the TSYS Board retreat). Mr. Yancey, the former Chairman of the Board of Synovus, was provided with administrative assistance and office space during 2006. In computing the incremental cost to Synovus of providing Mr. Yancey with administrative assistance throughout 2006, Synovus aggregated the cost to Synovus of providing salary, benefits and office space (based on lease payments per square foot) to Mr. Yancey's assistant and allocated the portion of which was attributable to providing services to Mr. Yancey as his assistant did not work exclusively with him. Amounts for office space, security alarm monitoring and spousal entertainment are not quantified because they do not exceed the greater of \$25,000 or 10% of the total amount of perquisites.

Director Compensation Program

The Corporate Governance and Nominating Committee of Synovus is responsible for the oversight and administration of the Synovus director compensation program. The Committee's charter reflects these responsibilities and does not allow the Committee to delegate its authority to any person other than the members of the Corporate Governance and Nominating Committee. Under its charter, the Committee has authority to retain outside advisors to assist the Committee in performance of its duties. In November 2004, the Corporate Governance and Nominating Committee retained Mercer Human Resource Consulting to review the competitiveness of the Synovus director compensation program. Mercer was directed to develop peer groups of 15 to 20 companies against which to benchmark director compensation at Synovus and to review and compare director pay practices at Synovus to industry peer companies and to those of general industry companies, analyzing cash compensation, long-term incentive compensation and total compensation. The Corporate Governance and Nominating Committee also asked Mercer to overview recent director pay trends, including shifts in pay mix, equity compensation trends and changes related to increased responsibilities and liability. Mercer's recommendations for director compensation were then presented to the Committee. In January 2005, Mercer recommended certain changes to the director compensation program at Synovus; the Corporate Governance and Nominating Committee discussed and considered these recommendations and recommended to the Board that it approve the current compensation structure. The decisions made by the Committee are the responsibility of the Committee and may reflect factors and considerations other than the information and recommendations provided by Mercer. The Committee has decided to review and evaluate director compensation every two years.

Cash Compensation of Directors. As reflected in the Fees Earned or Paid in Cash column of the Director Compensation Table above, for the fiscal year ended December 31, 2006, directors of Synovus received an annual cash retainer of \$35,000, with Compensation Committee and Corporate Governance and Nominating Committee members receiving an additional cash retainer of \$5,000 and Audit Committee and Executive Committee members receiving an additional cash retainer of \$10,000. In addition, the Chairpersons of the Compensation Committee and Corporate Governance and Nominating Committee received a \$5,000 cash retainer, the Chairperson of the Audit Committee received a \$10,000 cash retainer and the Lead Director received a \$5,000 cash retainer.

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By paying each director an annual retainer, Synovus compensates each director for his or her role and judgment as an advisor to Synovus, rather than for his or her attendance or effort at individual meetings. In so doing, directors with added responsibility are recognized with higher cash compensation. For example, members of the Audit Committee receive a higher cash retainer based upon the enhanced duties, time commitment and responsibilities of service on that committee. The Corporate Governance and Nominating Committee believes that this additional cash compensation is appropriate.

In determining the specific amounts of cash compensation, including fees for service on committees and as chairpersons of those committees, the Corporate Governance and Nominating Committee, with the assistance of Mercer, studied cash compensation at a peer group of 23 companies in the banking industry and at 350 large industrial, financial and service organizations and set the cash compensation levels at or around the 50th percentile for such peer companies.

Directors may elect to defer all or a portion of their cash compensation under the Synovus Directors' Deferred Compensation Plan. The Directors' Deferred Compensation Plan does not provide directors with an above market rate of return. Instead, the deferred amounts are deposited into one or more investment funds at the election of the director. In so doing, the plan is designed to allow directors to defer the income taxation of a portion of their compensation and to receive an investment return on those deferred amounts. All deferred fees are payable only in cash. Each of Messrs. Amos, Floyd, Goodrich, Jones and Purcell and Ms. Camp deferred all of their cash compensation under this plan during 2006.

Equity Compensation of Directors. During 2006, non-management directors also received an annual award of 500 shares of restricted Synovus stock in the form of a grant from the Synovus 2002 Long-Term Incentive Plan, 100% of which vests after three years. The Board granted these restricted stock awards to directors on February 1, 2006, the first day of the month following the Corporate Governance and Nominating Committee meeting to approve director compensation for the fiscal year. These restricted stock awards are designed to create equity ownership and to focus directors on the long-term performance of Synovus.

Before restricted stock awards were first granted to directors in 2005, Synovus' directors were not compensated with equity ownership in the company, other than contributions under the Director Stock Purchase Plan. With the assistance of Mercer's market analysis, the Corporate Governance and Nominating Committee determined in 2005 that a competitive director compensation program needed to include a more appropriate level of equity compensation in order to align Synovus with best practices and to remain competitive with the compensation programs at peer companies. First, the Committee determined that restricted stock awards were more appropriate than the use of stock options based upon the market shift in equity pay mix at other similarly situated companies. Second, the Committee determined that a grant of 500 shares of restricted Synovus stock was appropriate by analyzing the market on equity compensation and then determining the right mix based upon a market value approach to the number of shares awarded. In so doing, the grants of restricted stock provide Synovus directors with a more balanced pay mix between cash and equity, consistent with the market trend toward equal weighting of cash and equity.

Synovus' Director Stock Purchase Plan is a non-qualified, contributory stock purchase plan pursuant to which qualifying Synovus directors can purchase, with the assistance of contributions from Synovus, presently issued and outstanding shares of Synovus stock. Under the terms of the Director Stock Purchase Plan, qualifying directors can elect to contribute up to \$5,000 per calendar quarter to make purchases of Synovus stock, and Synovus contributes an additional amount equal to 50% of the directors' cash contributions. Participants in the Director Stock Purchase Plan are fully vested in, and may request the issuance to them of, all shares of Synovus stock purchased for their benefit under the Plan. Synovus' contributions under this Plan are included in the All Other Compensation column of the Director Compensation Table above.

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Synovus' contributions under the Director Stock Purchase Plan further provide directors the opportunity to buy and maintain an equity interest in Synovus and to share in the capital appreciation of Synovus. Together, the restricted stock awards and Synovus' contributions under the Director Stock Purchase Plan provide an appropriate, competitive amount of compensation to directors in the form of equity, putting the equity component of compensation, as well as total compensation, at or near the median for peer group companies at the time the compensation structure was approved in 2005.

The restricted stock awards to directors and Synovus' contributions under the Director Stock Purchase Plan also assist and facilitate directors' fulfillment of their stock ownership requirements. Synovus' Corporate Governance Guidelines require all directors to accumulate over time shares of Synovus stock equal in value to at least three times the value of their annual retainer. Directors have five years to attain this level of total stock ownership but must attain a share ownership threshold of one times the amount of the director's annual retainer within three years. These stock ownership guidelines are designed to align the interests of Synovus' directors to that of Synovus' shareholders and the long-term performance of Synovus.

Consulting Agreement. For a discussion of James H. Blanchard's Consulting Agreement with Synovus, see Consulting Agreement on page 45.

PROPOSALS TO BE VOTED ON

PROPOSAL 1: ELECTION OF DIRECTORS

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ALL NOMINEES.

Number

At the date of this Proxy Statement, the Board of Directors of Synovus consists of 18 members. As 20 board seats have been authorized by Synovus' shareholders, Synovus has two directorships which remain vacant. These vacant directorships could be filled in the future at the discretion of Synovus' Board of Directors. This discretionary power gives Synovus' Board of Directors the flexibility of appointing new directors in the periods between Synovus' Annual Meetings should suitable candidates come to its attention. Proxies cannot be voted at the 2007 Annual Meeting for a greater number of persons than the number of nominees named.

Nominees for Election as Director

The Board has nominated each of the following 18 individuals to be elected as directors at the Annual Meeting upon the recommendation of the Corporate Governance and Nominating Committee. All nominees are currently directors of Synovus and have previously been elected by the shareholders. Each director elected will serve until the next Annual Meeting and until his or her successor is duly elected and qualified or until his or her earlier retirement, resignation or removal. The Board believes that each director nominee will be able to stand for election. If any nominee becomes unable to stand for election, proxies in favor of that nominee will be voted in favor of the remaining nominees and in favor of any substitute nominee named by the Board upon the recommendation of the Corporate Governance and Nominating Committee. If you do not wish your shares voted for one or more of the nominees, you may so indicate on the proxy.

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Following is the principal occupation, age and certain other information for each director nominee.

Name	Age	Year First Elected Director	Principal Occupation and Other Information
Daniel P. Amos(1)	55	2001	Chairman of the Board and Chief Executive Officer, Aflac Incorporated (Insurance Holding Company)
Richard E. Anthony(2)	60	1993	Chairman of the Board and Chief Executive Officer, Synovus Financial Corp.
James H. Blanchard(3)	65	1972	Chairman of the Board and Chief Executive Officer, Retired, Synovus Financial Corp.; Director, Total System Services, Inc. and AT&T Corp.
Richard Y. Bradley	68	1991	Partner, Bradley & Hatcher (Law Firm); Director, Total System Services, Inc.
Frank W. Brumley(4)	66	2004	Chairman of the Board and Chief Executive Officer, Daniel Island Company (Planned Community Development)
Elizabeth W. Camp	55	2003	President and Chief Executive Officer, DF Management, Inc. (Investment and Management of Commercial Real Estate)
Gardiner W. Garrard, Jr.	66	1972	President, The Jordan Company (Real Estate Development and Private Equity Investments); Director, Total System Services, Inc.
T. Michael Goodrich	61	2004	Chairman and Chief Executive Officer, BE&K, Inc. (Engineering and Construction Company); Director, Energen Corporation
Frederick L. Green, III(5)	48	2006	President and Chief Operating Officer, Synovus Financial Corp.

V. Nathaniel Hansford(6)	63	1985	President, Retired, North Georgia College and State University
Alfred W. Jones III	49	2001	Chairman of the Board and Chief Executive Officer, Sea Island Company (Real Estate Development and Management); Director, Total System Services, Inc.
Mason H. Lampton(7)	59	1993	Chairman of the Board, Standard Concrete Products (Construction Materials Company); Director, Total System Services, Inc.

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Name	Age	Year First Elected Director	Principal Occupation and Other Information
Elizabeth C. Ogie(8)	56	1993	Private Investor
H. Lynn Page	66	1978	Director, Total System Services, Inc.
J. Neal Purcell	65	2003	Vice Chairman, Retired, KPMG LLP (Professional Services Provider); Director, Southern Company, Kaiser Permanente and Dollar General Corporation
Melvin T. Stith(9)	60	1998	Dean, Martin J. Whitman School of Management, Syracuse University; Director, Flowers Foods, Inc.
William B. Turner, Jr.(8)	55	2003	Vice Chairman of the Board and President, W.C. Bradley Co. (Consumer Products and Real Estate)
James D. Yancey(10)	65	1978	Chairman of the Board, Columbus Bank and Trust Company; Chairman of the Board, Retired, Synovus Financial Corp.; Director, Total System Services, Inc.

- (1) Daniel P. Amos previously served as a director of Synovus from 1991 until 1998, when he resigned as a director as required by federal banking regulations to join the board of a company affiliated with a Japanese bank.
- (2) Richard E. Anthony was elected Chairman of the Board and Chief Executive Officer of Synovus in October 2006. From 1995 until 2006, Mr. Anthony served in various capacities with Synovus, including Chief Executive Officer and President and Chief Operating Officer of Synovus.
- (3) James H. Blanchard was elected Chairman of the Board of Synovus in July 2005 and retired from that position in October 2006. Prior to 2005, Mr. Blanchard served in various capacities with Synovus and CB&T, including Chairman of the Board and Chief Executive Officer of Synovus and Chief Executive Officer of CB&T. Mr. Blanchard also retired as an executive officer of TSYS in October 2006 but continues to serve as a non-executive Chairman of the Executive Committee. Mr. Blanchard was elected as an executive officer Chairman of the Executive Committee of TSYS in February 1992.
- (4) Frank W. Brumley was elected Chairman of the Board and Chief Executive Officer of Daniel Island Company in January 2006. Prior to 2006, Mr. Brumley served as President of Daniel Island Company.

- (5) Frederick L. Green, III was elected President and Chief Operating Officer of Synovus in October 2006. Mr. Green served as Vice Chairman of Synovus from 2003 until 2006. From 1991 until 2003, Mr. Green served in various capacities with The National Bank of South Carolina, a banking subsidiary of Synovus, including President of The National Bank of South Carolina. Mr. Green continues to serve as Chairman of the Board of The National Bank of South Carolina.
- (6) V. Nathaniel Hansford serves as Lead Director of the Synovus Board.
- (7) Mason H. Lampton was elected Chairman of the Board of Standard Concrete Products in June 2004. Prior to 2004, Mr. Lampton served as President and Chief Executive Officer of Standard Concrete Products.
- (8) Elizabeth C. Ogie is William B. Turner, Jr.'s first cousin.
- (9) Melvin T. Stith was appointed Dean of Syracuse University's Martin J. Whitman School of Management in January 2005. Prior to 2005, Mr. Stith served as Dean of the College of Business at Florida State University.
- (10) James D. Yancey retired as an executive employee of Synovus in December 2004 and served as a non-executive Chairman of the Board until July 2005. Mr. Yancey was elected as an executive officer Chairman of the Board of Synovus in October 2003. Prior to 2003, Mr. Yancey served in various capacities with Synovus and/or CB&T, including Vice Chairman of the Board and President of both Synovus and CB&T.

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**PROPOSAL 2: APPROVAL OF THE SYNOVUS FINANCIAL CORP.
2007 OMNIBUS PLAN**

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE SYNOVUS FINANCIAL CORP. 2007 OMNIBUS PLAN.

Upon the recommendation of the Compensation Committee, on February 15, 2007 the Board of Directors adopted the Synovus Financial Corp. 2007 Omnibus Plan (2007 Plan), subject to shareholder approval. The purpose of the 2007 Plan is to advance the interests of Synovus and its shareholders through awards that give employees and directors a personal stake in Synovus' growth, development and financial success. Awards under the 2007 Plan are designed to motivate employees and directors to devote their best interests to the business of Synovus. Awards will also help Synovus attract and retain the services of employees and directors who are in a position to make significant contributions to Synovus' future success. Subject to approval by Synovus' shareholders, compensation paid pursuant to the 2007 Plan is intended, to the extent reasonable, to qualify for tax deductibility under Section 162(m) (Section 162(m)) and Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, as may be amended from time to time. After approval of the 2007 Plan, no further awards will be made under the Synovus 2002 and 2000 Long-Term Incentive Plans.

Eligibility and Participation. Any employee of Synovus and its subsidiaries and any non-employee director of Synovus, approximately 12,625 persons, is eligible to participate in the 2007 Plan. Incentive stock options, however, may be granted only to employees. The Committee has discretion to select participants from year to year.

Shares Subject to the Plan. The aggregate number of shares of Synovus stock which may be granted to participants pursuant to awards granted under the 2007 Plan may not exceed eighteen million (18,000,000) shares. Shares awarded under the 2007 Plan or the Synovus Financial Corp. 2002 and 2000 Long-Term Incentive Plans that are subsequently forfeited may also be awarded under the 2007 Plan. The maximum number of full-value awards (awards settled in stock other than stock options and stock appreciation rights) under the 2007 Plan shall be 9,000,000. As of December 31, 2006, 4,220,937 shares remain available for grant under Synovus' 2002 and 2000 Long-Term Incentive Plans. Synovus does not anticipate granting new awards under such plans between fiscal year-end and the effective date of the 2007 Plan, except for grants of 222,879 stock options with an exercise price of \$31.13 and a 10-year term and 50,909 shares of restricted stock.

Awards Under the 2007 Plan. Pursuant to the 2007 Plan, Synovus may grant the following types of awards subject to the following conditions:

Nonqualified and Incentive Stock Options. All stock options must have a maximum life of no more than ten years from the date of grant. At the time of grant, the Committee will determine the exercise price for any stock options. In no event, however, may the exercise price be less than 100% of the fair market value of Synovus' common stock at the time of grant. At the time of exercise, payment in full of the exercise price will be paid in cash, shares of common stock valued at their fair market value on the date of exercise, a combination thereof, or by such other method as the Committee may determine.

Stock Appreciation Rights. Stock appreciation rights offer participants the right to receive payment for the difference (spread) between the exercise price of the stock appreciation right and the market value of Synovus' common stock at the time of redemption. The Committee may authorize payment of the spread for a stock appreciation right in the form of cash, common stock to be valued at its fair market value on the date of exercise, a combination thereof, or by such other method as the Committee may determine.

Restricted Stock and Restricted Stock Units. The Committee may award common stock to a participant as a portion of the participant's remuneration. In doing so, the Committee, in its discretion, may impose conditions or restrictions on the award of common stock. The Committee

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may also award restricted stock units which are similar to restricted stock except that no shares are actually awarded on the date of grant.

Performance Units or Performance Shares. Section 162(m) generally limits to \$1,000,000 the amount that a publicly held corporation may deduct for the compensation paid to its Chief Executive Officer and its four most highly compensated officers other than the Chief Executive Officer. Qualified performance-based compensation, however, is not subject to the \$1,000,000 deduction limit. Accordingly, the 2007 Plan permits the Committee to establish performance goals consistent with Section 162(m) and authorizes the granting of cash, stock options, stock appreciation rights, common stock, other property, or any combination thereof to employees upon achievement of such established performance goals. In setting the performance goals, the Committee may use such measures as net earnings or net income (before or after taxes); earnings per share; net sales or revenue growth; net operating profit; return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue); cash flow (including, but not limited to, operating cash flow, free cash flow, cash generation, cash flow return on equity, and cash flow return on investment); earnings before or after taxes, interest, depreciation, and/or amortization; gross or operating margins; productivity ratios; share price (including, but not limited to, growth measures and total shareholder return); expense targets; margins; operating efficiency; market share; customer satisfaction; unit volume; working capital targets and change in working capital; economic value added (net operating profit after tax minus the sum of capital multiplied by the cost of capital); asset growth; non-interest expense as a percentage of total expense; loan charge-offs as a percentage of total loans; number of cardholder, merchant or other customer accounts processed or converted; and successful negotiation or renewal of contracts with new or existing customers. The performance goals may relate to the individual participant, to Synovus as a whole, or to a subsidiary, division, department, region, function or business unit of Synovus in which the participant is employed. Performance awards may be granted either alone or in addition to other grants made under the 2007 Plan.

Cash-Based Awards. The Committee may grant cash-based awards to participants as determined by the Committee. Payment of the cash-based awards may be made in either cash or common stock.

Other Stock-Based Awards. The Committee may grant other types of equity-based or equity-related awards. These awards may be paid in either common stock or cash.

Maximum Amount Payable to Any Participant. The annual award limits of the 2007 Plan include the following:

Options. The maximum aggregate number of shares subject to options granted in any one plan year to any one participant is 4,000,000 shares.

Stock Appreciation Rights. The maximum number of shares subject to stock appreciation rights granted in any one plan year to any one participant is 4,000,000 shares.

Restricted Stock or Restricted Stock Units. The maximum aggregate grant with respect to awards of restricted stock or restricted stock units in any one plan year to any one participant is 2,000,000 shares.

Performance Units or Performance Shares. The maximum aggregate award of performance units or performance shares that a participant may receive in any one plan year is 2,000,000 shares if the award is payable in shares, or equal to the value of 100,000 shares if the award is payable in cash or property other than shares, determined as of the earlier of the vesting or the payout date, as applicable.

Cash-Based Awards. The maximum aggregate amount awarded or credited with respect to cash-based awards to any one participant in any one plan year may not exceed \$2,000,000.

Other Stock-Based Awards. The maximum aggregate grant with respect to other stock-based awards in any one plan year to any one participant is 2,000,000 shares.

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Adjustments in Connection with Certain Events. The Committee, in order to prevent dilution or enlargement of a participant's rights under the 2007 Plan, shall substitute or adjust the number and kind of shares that may be issued under the 2007 Plan or under particular forms of awards, the number and kind of shares subject to outstanding awards, the option price or grant price applicable to outstanding awards, the annual award limits, and other value determinations applicable to outstanding awards in the event of any corporate event or transaction such as a merger, consolidation, reorganization, recapitalization, separation, partial or complete liquidation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of Synovus, combination of shares, exchange of shares, dividend in-kind, or other like change in capital structure, number of outstanding shares or distribution (other than normal cash dividends) to shareholders of Synovus, or any similar corporate event or transaction.

Duration of the 2007 Plan. The 2007 Plan will become effective upon approval by Synovus' shareholders. The 2007 Plan will terminate after 10 years or, if sooner, when all shares reserved under the 2007 Plan have been issued. At any time, the Board of Directors may terminate the 2007 Plan. The termination of the 2007 Plan will not affect outstanding awards in any way.

Administration. The 2007 Plan will be administered by the Compensation Committee of the Board of Directors. Members of the Committee are appointed by the Board of Directors from among its members and may be removed by the Board of Directors in its discretion.

The Committee has broad discretion to construe, interpret and administer the 2007 Plan, to select the individuals to be granted Plan awards, to determine the number of shares to be subject to each Plan award, and to determine the terms, conditions and duration of each award. The Committee's decisions will be conclusive, final and binding upon all parties. No member of the Committee will be liable for any action or determination made with respect to the 2007 Plan or any award granted under the 2007 Plan. To the fullest extent permitted by law, Synovus will indemnify the members of the Committee against reasonable expenses incurred in connection with any action taken against them with respect to the 2007 Plan or any award granted under the Plan.

Amendment of the 2007 Plan. The Committee may amend, modify, suspend or terminate the 2007 Plan at any time except that no amendment, modification, suspension or termination may adversely affect an existing award under the 2007 Plan without the affected participant's consent. In addition, no amendment, modification, suspension or termination shall be made which would reprice, replace or regrant through cancellation, or which would lower the option price of a previously granted option or the grant price of a previously granted stock appreciation right without the approval of shareholders. Moreover, under NYSE listing standards the 2007 Plan cannot be materially amended without the approval of shareholders.

Change in Control. Unless otherwise determined by the Committee at grant, in the event of a change in control of Synovus, as defined in the 2007 Plan, the vesting of any outstanding awards granted under the 2007 Plan will be accelerated and all such awards will be fully exercisable.

Federal Tax Consequences of the 2007 Plan. The following discussion of the federal income tax consequences of awards granted under the 2007 Plan is intended only as a summary of the present federal income tax treatment of awards. These laws are highly technical and are subject to change at any time. This summary does not discuss the tax consequences of a participant's death, or the provisions of the income tax laws of any municipality, state or foreign country in which a participant may reside.

Nonqualified Stock Options. Nonqualified stock options granted under the 2007 Plan will not be taxable to a participant at grant but generally will result in taxation at exercise, at which time the participant will recognize

ordinary income in an amount equal to the difference between the option's exercise price and the fair market value of the shares on the exercise date. Synovus

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will be entitled to deduct a corresponding amount as a business expense in the year the participant recognizes this income.

Incentive Stock Options. An employee will generally not recognize ordinary income on receipt or exercise of an incentive stock option so long as he or she has been an employee of Synovus or its subsidiaries from the date the incentive stock option was granted until three months before the date of exercise; however, the amount by which the fair market value of the shares on the exercise date exceeds the exercise price is an adjustment in computing the employee's alternative minimum tax in the year of exercise. If the employee holds the shares of common stock received on exercise of the incentive stock option for one year after the date of exercise (and for two years from the date of grant of the incentive stock option), any difference between the amount realized upon the disposition of the shares and the amount paid for the shares will be treated as long-term capital gain (or loss, if applicable) to the employee. If the employee exercises an incentive stock option and satisfies these holding period requirements, Synovus may not deduct any amount in connection with the incentive stock option. If an employee exercises an incentive stock option but engages in a disqualifying disposition by selling the shares acquired on exercise before the expiration of the one and two-year holding periods described above, the employee generally will recognize ordinary income (for regular income tax purposes only) in the year of the disqualifying disposition equal to the excess, if any, of the fair market value of the shares on the date of exercise over the exercise price; and any excess of the amount realized on the disposition over the fair market value on the date of exercise will be taxed as long- or short-term capital gain (as applicable). If, however, the fair market value of the shares on the date of disqualifying disposition is less than on the date of exercise, the employee will recognize ordinary income equal only to the difference between the amount realized on the disqualifying disposition and the exercise price. In either event, Synovus will be entitled to deduct an amount equal to the amount constituting ordinary income to the employee in the year of the disqualifying disposition.

Stock Appreciation Rights. To the extent that the requirements of the Internal Revenue Code of 1986 are met, there are no immediate tax consequences to a participant when a stock appreciation right is granted. When a participant exercises the right to the appreciation in fair market value of shares represented by a stock appreciation right, payments made in common stock are normally includable in the participant's gross income for regular income tax purposes. Synovus will be entitled to deduct the same amount as a business expense in the same year. The includable amount and corresponding deduction each equal the fair market value of the common stock payable on the date of exercise.

Restricted Stock. The recognition of income from an award of restricted stock for federal income tax purposes depends on the restrictions imposed on the shares. Generally, taxation will be deferred until the first taxable year the shares are no longer subject to substantial risk of forfeiture. At the time the restrictions lapse, the participant will recognize ordinary income equal to the then fair market value of the stock. The participant may, however, make an election to include the value of the shares in gross income in the year of award despite such restrictions. Generally, Synovus will be entitled to deduct the fair market value of the shares transferred to the participant as a business expense in the year the participant includes the compensation in income.

Restricted Stock Units. Generally, a participant will not recognize ordinary income until common stock, cash, or other property become payable under the restricted stock unit, even if the award vests in an earlier year. Synovus will generally be entitled to deduct the amount the participant includes in income as a business expense in the year of payment.

Performance Units/ Performance Shares. As stated above, the performance units and performance shares awarded under the 2007 Plan are intended to be qualified performance-based compensation under Section 162(m) and, therefore, deductible by Synovus when the employee recognizes ordinary income. Employees under the 2007 Plan incur no income tax

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liability upon the initial grant of performance units or performance shares. At the end of the performance or measurement period, however, employees realize ordinary income on any amounts received in cash or common stock. Any subsequent appreciation on the common stock is treated as a capital gain.

Cash-Based Awards/Other Stock-Based Awards. Any cash payments or the fair market value of any common stock or other property a participant receives in connection with cash-based awards or other stock-based awards are includable in income in the year received or made available to the participant without substantial limitations or restrictions. Generally, Synovus will be entitled to deduct the amount the participant includes in income as a business expense in the year of payment.

Deferred Compensation. All awards under the 2007 Plan must satisfy the requirements of Section 409A of the Internal Revenue Code of 1986 to avoid adverse tax consequences to participants.

Additional Information. In the event the 2007 Plan is terminated, participants under the 2007 Plan will retain all rights to their awards in accordance with the terms of the awards.

In the event of a termination of service by a participant, the Committee will determine the length of time that the participant has to exercise a stock option or stock appreciation right and the extent to which the participant can retain the rights to restricted stock, restricted stock units, performance units, performance shares, cash-based awards, and other stock-based awards.

The Committee may provide for the payment of dividends on shares of common stock granted in connection with awards or dividend equivalents with respect to any shares of common stock subject to an award that have not actually been issued under the award.

New Plan Benefits. The following table shows grants of restricted stock and stock options in Synovus stock that would have been made under the 2007 Plan for fiscal year 2006 had the 2007 Plan been in effect:

**NUMBER OF SHARES SUBJECT
TO AWARDS GRANTED**

Name and Principal Position	Stock Options	Restricted Stock Awards
Richard E. Anthony Chairman of the Board and Chief Executive Officer	38,475(1)	12,825(1)
Thomas J. Prescott Executive Vice President and Chief Financial Officer	12,825(1)	4,275(1)
G. Sanders Griffith, III Senior Executive Vice President, General Counsel and Secretary	14,551(1)	4,850(1)
Frederick L. Green, III President and Chief Operating Officer	14,876(1)	4,959(1)
Elizabeth R. James Vice Chairman and Chief People Officer	13,230(1)	4,410(1)
Executive Group	110,446(1)	36,816(1)
Nonexecutive Director Group	-0-	8,500(2)
Nonexecutive Officer Employee Group	16,781(3)	447,557(3)

- (1) Amounts represent grants that would have been made to executives based upon Synovus performance during the 2004-2006 performance period had the 2007 Plan been in effect.
- (2) Amount represents restricted stock awards that would have been made to nonexecutive directors for 2006 had the 2007 Plan been in effect.

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- (3) Amounts represent grants that would have been made to nonexecutive officer employees for 2006 had the 2007 Plan been in effect.

Equity Compensation Plan Information

The table below provides information as of December 31, 2006 concerning the shares of Synovus stock that may be issued under existing equity compensation plans of Synovus.

Plan Category(1)	(a) Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted- Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	22,809,794(2)	\$ 23.31	4,220,937(3)
Equity compensation plans not approved by security holders			
Total	22,809,794	\$ 23.31	4,220,937

- (1) Does not include information for equity compensation plans assumed by Synovus in mergers. A total of 829,467 shares of common stock was issuable upon exercise of options granted under plans assumed in mergers and outstanding at December 31, 2006. The weighted average exercise price of all options granted under plans assumed in mergers and outstanding at December 31, 2006 was \$9.62. Synovus cannot grant additional awards under these assumed plans.
- (2) Does not include an aggregate of 735,263 shares of restricted stock which will vest over the remaining years through 2011.
- (3) Includes 4,220,937 shares available for future grants under Synovus 2002 and 2000 Long-Term Incentive Plans.

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**PROPOSAL 3: RATIFICATION OF
APPOINTMENT OF THE INDEPENDENT AUDITOR**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR RATIFICATION OF
THE APPOINTMENT OF KPMG LLP AS THE INDEPENDENT AUDITOR.**

The Audit Committee has appointed the firm of KPMG LLP as the independent auditor to audit the consolidated financial statements of Synovus and its subsidiaries for the fiscal year ending December 31, 2007 and Synovus internal control over financial reporting as of December 31, 2007. Representatives of KPMG will be present at the Annual Meeting with the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from shareholders present at the meeting. Although shareholder ratification of the appointment of Synovus independent auditor is not required by our bylaws or otherwise, we are submitting the selection of KPMG to our shareholders for ratification to permit shareholders to participate in this important corporate decision. If not ratified, the Audit Committee will reconsider the selection, although the Audit Committee will not be required to select a different independent auditor for Synovus.

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PROPOSAL 4: SHAREHOLDER PROPOSAL REGARDING DIRECTOR ELECTION BY MAJORITY VOTE

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE AGAINST THE SHAREHOLDER S PROPOSAL.

The United Brotherhood of Carpenters Pension Fund (Fund), which is the beneficial owner of approximately 5,000 shares of Synovus stock, has made a timely request that the following proposal, which the Fund intends to present for consideration at the 2007 Annual Meeting, be included in this Proxy Statement. The Fund has advised Synovus that a representative of the Fund intends to be present at the Annual Meeting to present this proposal for consideration. The proposal and related supporting statement are set forth below exactly as received by Synovus. The Fund s request was submitted by Douglas J. McCarron, Fund Chairman, 101 Constitution Avenue, N.W., Washington, D.C. 20001.

Shareholder Resolution:

Resolved: That the shareholders of Synovus Financial Corp. (Company) hereby request that the Board of Directors initiate the appropriate process to amend the Company s articles of incorporation to provide that director nominees shall be elected by the affirmative vote of the majority of votes cast at an annual meeting of shareholders, with a plurality vote standard retained for contested director elections, that is, when the number of director nominees exceeds the number of board seats.

Shareholder Supporting Statement:

In order to provide shareholders a meaningful role in director elections, our company s director election vote standard should be changed to a majority vote standard. A majority vote standard would require that a nominee receive a majority of the votes cast in order to be elected. The standard is particularly well-suited for the vast majority of director elections in which only board nominated candidates are on the ballot. We believe that a majority vote standard in board elections would establish a challenging vote standard for board nominees and improve the performance of individual directors and entire boards. Our Company presently uses a plurality vote standard in all director elections. Under the plurality vote standard, a nominee for the board can be elected with as little as a single affirmative vote, even if a substantial majority of votes cast are withheld from the nominee.

In response to strong shareholder support for a majority vote standard in director elections, an increasing number of companies, including Intel, Dell, Motorola, Texas Instruments, Wal-Mart, Safeway, Home Depot, Gannett, Marathon Oil and Supervalu, have adopted a majority vote standard in company bylaws. Additionally, these companies have adopted bylaws or policies to address post-election issues related to the status of director nominees that fail to win election. Our Company has not established a majority vote standard in Company bylaws, opting only to establish a post-election director resignation governance policy. The Company s director resignation policy simply addresses post-election issues, establishing a requirement for directors to tender their resignations for board consideration should they receive more withhold votes than for votes. We believe that these director resignation policies, coupled with the continued use of a plurality vote standard, are a wholly inadequate response to the call for the adoption of a majority vote standard.

We believe the establishment of a meaningful majority vote policy requires the adoption of a majority vote standard in the Company s governance documents, not the retention of the plurality vote standard. A majority vote standard combined with the Company s current post-election director resignation policy would provide the board a framework

to address the status of a director nominee who fails to be elected. The combination of a majority vote standard with a post-election policy establishes a meaningful right for shareholders to elect directors, while

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reserving for the board an important post-election role in determining the continued status of an unelected director.

We urge the board to adopt a majority vote standard.

Board of Directors Statement in Opposition:

Synovus believes that adherence to sound corporate governance policies and practices is important to ensuring that Synovus is governed and managed with the highest standards of responsibility, ethics and integrity and in the best interests of its shareholders. Synovus currently elects its directors by a plurality standard, meaning that the nominees who receive the most affirmative votes are elected to the Board. This method of voting, which is permissible under Georgia law and is the predominant method currently in use among U.S. public companies, has served Synovus well for many years. In fact, in no instance can it be found that plurality voting prevented Synovus shareholders from either electing the directors they wanted to elect or otherwise expressing their dissatisfaction with any particular director or the Board as a whole.

Synovus believes it would not be in the best interests of its shareholders to change the method by which directors are elected for the following reasons:

The Fund's proposal is unnecessary to achieve sound corporate governance at Synovus. Synovus has demonstrated its commitment to implementing best corporate governance practices and its openness to shareholder input regarding potential directors and governance. For example, in the area of director elections, the Board amended Synovus Corporate Governance Guidelines in January 2006 to provide that in an uncontested election, any nominee for director who receives a greater number of votes withheld from his or her election than votes for such election must promptly tender his or her resignation. This guideline further provides for a process by which such director's resignation is either accepted or rejected by the Corporate Governance and Nominating Committee and the Board. (See Appendix B of this Proxy Statement for the full text of this provision of the Corporate Governance Guidelines). Many public companies have adopted similar resignation policies to address the issue with the belief that a resignation policy best maximizes shareholder access and sound corporate governance.

In addition, Synovus amended its Articles of Incorporation and bylaws in 2006 to declassify the Board so that each director is subject to shareholder approval on an annual basis. Furthermore, Synovus maintains a director nomination and election process that is designed to give due regard to shareholder nominees. The Corporate Governance and Nominating Committee has a process for consideration of shareholder nominees, and the Board maintains a process for shareholders to communicate with the Board. The Board believes that these mechanisms, not the process requested by the Fund's proposal, provide the best foundation for a strong and effective Board and excellence in corporate governance.

Given the current state of applicable corporate law and practice, the Fund's proposal for majority voting for directors may have unintended negative consequences. The Board believes that while conceptually the Fund's proposal seems simple, implementation of the proposal would establish a potentially disruptive vote requirement that the Board does not believe is reasonable or in the best interests of Synovus' shareholders. For example, the Fund's proposal does not address what would happen if one or more incumbent directors fail to receive a majority of the votes cast. Georgia law provides that despite the expiration of a director's term, such director continues to serve until a successor is elected and qualified or until there is a decrease in the number of directors. Therefore, under the Fund's proposal, an incumbent director who does not receive a majority of the votes cast would nonetheless remain in office until such person's successor was elected and qualified, absent resignation or removal from the Board. We believe that this failed election situation would not reflect the views of shareholders who have chosen to exercise their right to vote for the directors of their choice at the annual meeting.

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In addition, the plurality voting standard is the methodology known to and understood by shareholders and used by corporations that have been identified as leaders in corporate governance reforms. While majority voting has recently been adopted by a minority of companies, it continues to be a relatively uncertain, untested voting standard. Because of this uncertainty, combined with the negative consequences of failed elections, the American Bar Association recently reaffirmed that plurality voting is and should be the default standard for director elections. After careful consideration and thoughtful study, the American Bar Association found that the potential detriments that could be caused by changing plurality voting as the voting standard outweigh any potential advantages of adopting majority voting.

Moreover, it is possible that the unpredictability described above could deter the most qualified individuals from agreeing to serve as director candidates, whether nominated by the Board or a shareholder. This may then deprive Synovus of continued service by valued members of our Board, including directors with excellent qualifications and performance.

A further consequence of the Fund's proposal may be to unnecessarily increase the cost of soliciting shareholder votes. If the Fund's proposal is approved, the Board may need to employ proactive telephone solicitations, subsequent mailings or other vote-procuring strategies to obtain shareholder approval in future elections. The Board believes this would not be a good expenditure of Synovus' funds in connection with director elections.

The Board believes that Synovus' existing voting standard is fair, democratic and impartial and serves the best interests of its shareholders. The outcome of Synovus' election process would not have been different in any given year if the proposed majority voting standard had been used. Furthermore, the Board believes that the quality of its directors has a far greater impact on Synovus' governance than the voting standard used to elect them.

EXECUTIVE OFFICERS

The following table sets forth the name, age and position with Synovus of each executive officer of Synovus.

Name	Age	Position with Synovus
Richard E. Anthony(1)	60	Chairman of the Board and Chief Executive Officer
Frederick L. Green, III(1)	48	President and Chief Operating Officer
Elizabeth R. James(2)	45	Vice Chairman and Chief People Officer
G. Sanders Griffith, III(3)	53	Senior Executive Vice President, General Counsel and Secretary
Thomas J. Prescott(4)	52	Executive Vice President and Chief Financial Officer
Mark G. Holladay(5)	51	Executive Vice President and Chief Credit Officer
Calvin Smyre(6)	59	Executive Vice President, Corporate Affairs

(1) As Messrs. Anthony and Green are directors of Synovus, relevant information pertaining to their positions with Synovus is set forth under the caption "Nominees for Election as Director" on page 11.

(2)

Elizabeth R. James was elected Vice Chairman of Synovus in May 2000. From 1986 until 2000, Ms. James served in various capacities with Synovus, CB&T and/or TSYS, including Chief Information Officer and Chief People Officer of Synovus.

- (3) G. Sanders Griffith, III was elected Senior Executive Vice President, General Counsel and Secretary of Synovus in October 1995. From 1988 until 1995, Mr. Griffith served in various capacities with Synovus, including Executive Vice President, General Counsel and Secretary.

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- (4) Thomas J. Prescott was elected Executive Vice President and Chief Financial Officer of Synovus in December 1996. From 1987 until 1996, Mr. Prescott served in various capacities with Synovus, including Executive Vice President and Treasurer.
- (5) Mark G. Holladay was elected Executive Vice President and Chief Credit Officer of Synovus in April 2000. From 1974 until 2000, Mr. Holladay served in various capacities with CB&T, including Executive Vice President.
- (6) Calvin Smyre was elected Executive Vice President of Synovus in November 1996. From 1976 until 1996, Mr. Smyre served in various capacities with CB&T and/or Synovus, including Senior Vice President of Synovus.

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AND EXECUTIVE OFFICERS**

The following table sets forth ownership of shares of Synovus stock by each director, each executive officer named in the Summary Compensation Table and all directors and executive officers as a group as of December 31, 2006.

Name	Shares of Synovus Stock	Shares of Synovus Stock Beneficially	Shares of Synovus Stock	Total Shares of Synovus Stock Beneficially Owned as of 12/31/06(1)	Percentage of Outstanding Shares of Synovus Stock Beneficially Owned as of 12/31/06
	Beneficially Owned with Sole Voting And Investment Power as of 12/31/06	Owned with Shared Voting And Investment Power as of 12/31/06	Beneficially Owned with Sole Voting and no Investment Power as of 12/31/06		
Daniel P. Amos	52,315	58,860	1,000	112,175	*
Richard E. Anthony	576,559	187,754	83,245	1,185,228	*
James H. Blanchard	1,263,144	194,788	23,805	4,612,340	1
Richard Y. Bradley	30,984	84,887	1,000	116,871	*
Frank W. Brumley	26,764	55,286	1,000	83,050	*
Elizabeth W. Camp	24,286	2,703	1,000	27,989	*
Gardiner W. Garrard, Jr.	204,147	786,933	1,000	992,080	*
T. Michael Goodrich	173,548	19,180(2)	1,000	193,728	*
Frederick L. Green, III	112,952	464	39,187	307,391	*
G. Sanders Griffith, III	202,484	3,521	86,963	517,091	*
V. Nathaniel Hansford	124,817	416,589	1,000	542,406	*
Elizabeth R. James	33,555		18,187	176,071	*
Alfred W. Jones III	11,392		1,000	12,392	*
Mason H. Lampton	98,295	178,981(3)	1,000	278,276	*
Elizabeth C. Ogie	482,841	2,921,797(4)	1,000	3,405,638	1
H. Lynn Page	714,262	11,515	1,000	726,777	*
Thomas J. Prescott	45,765		17,348	190,284	*
J. Neal Purcell	11,441		1,000	12,441	*
Melvin T. Stith	8,760	120	1,000	9,880	*
William B. Turner, Jr.	407,245	2,791,167(4)	1,000	3,199,412	1
James D. Yancey	909,979	87,532	1,000	1,829,240	1
Directors and Executive Officers as a Group (24 persons)	5,683,730	5,019,095	315,473	16,117,903	4.9

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* Less than one percent of the outstanding shares of Synovus stock.

- (1) The totals shown in the table above for the directors and executive officers of Synovus listed below include the following shares as of December 31, 2006: (a) under the heading **Stock Options** the number of shares of Synovus stock that each individual had the right to acquire within 60 days through the exercise of stock options, and (b) under the heading **Pledged Shares** the number of shares of Synovus stock that were pledged, including shares held in a margin account.

Name	Stock Options	Pledged Shares
Richard E. Anthony	337,670	9,675
James H. Blanchard	3,130,603	644,500
Frederick L. Green, III	154,788	3,000
Gardiner W. Garrard, Jr.		147,077
G. Sanders Griffith, III	224,123	
V. Nathaniel Hansford		223,870
Elizabeth R. James	124,329	
Mason H. Lampton		58,275
Elizabeth C. Ogie		221,669
H. Lynn Page		66,468
Thomas J. Prescott	127,171	
James D. Yancey	830,729	212,000

In addition, the other executive officers of Synovus had rights to acquire an aggregate of 170,192 shares of Synovus stock within 60 days through the exercise of stock options, and had an aggregate of 27,927 shares of Synovus stock that were pledged, including shares held in margin accounts.

- (2) Includes 15,280 shares of Synovus stock held in a trust for which Mr. Goodrich is not the trustee. Mr. Goodrich disclaims beneficial ownership of these shares.
- (3) Includes 176,187 shares of Synovus stock held in a trust for which Mr. Lampton is not the trustee. Mr. Lampton disclaims beneficial ownership of these shares.
- (4) Includes 2,782,982 shares of Synovus stock held by a charitable foundation of which Ms. Ogie and Mr. Turner are among the trustees.

For a detailed discussion of the beneficial ownership of TSYS stock by Synovus named executive officers and directors and by all directors and executive officers of Synovus as a group, see **TSYS Stock Ownership of Directors and Management** on page 51.

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AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors is comprised of four directors, each of whom the Board has determined to be an independent director as defined by the listing standards of the New York Stock Exchange. The duties of the Audit Committee are summarized in this Proxy Statement under "Committees of the Board" on page 4 and are more fully described in the Audit Committee charter adopted by the Board of Directors.

One of the Audit Committee's primary responsibilities is to assist the Board in its oversight responsibility regarding the integrity of Synovus' financial statements and systems of internal controls. Management is responsible for Synovus accounting and financial reporting processes, the establishment and effectiveness of internal controls and the preparation and integrity of Synovus' consolidated financial statements. KPMG LLP, Synovus' independent auditor, is responsible for performing an independent audit of Synovus' consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States) and issuing opinions on whether those financial statements are presented fairly in conformity with accounting principles generally accepted in the United States, on management's assessment of the effectiveness of internal control over financial reporting and on the effectiveness of Synovus' internal control over financial reporting. The Audit Committee is directly responsible for the compensation, appointment and oversight of KPMG LLP. The function of the Audit Committee is not to duplicate the activities of management or the independent auditor, but to monitor and oversee Synovus' financial reporting process.

In discharging its responsibilities regarding the financial reporting process, the Audit Committee:

Reviewed and discussed with management and KPMG LLP Synovus' audited consolidated financial statements as of and for the year ended December 31, 2006;

Discussed with KPMG LLP the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees); and

Received from KPMG LLP the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with KPMG LLP their independence.

Based upon the review and discussions referred to in the preceding paragraph, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements referred to above be included in Synovus Annual Report on Form 10-K for the year ended December 31, 2006 filed with the Securities and Exchange Commission.

The Audit Committee

J. Neal Purcell, Chair
Elizabeth W. Camp
H. Lynn Page
Melvin T. Stith

Table of Contents***KPMG LLP Fees and Services***

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of Synovus annual consolidated financial statements for the years ended December 31, 2006 and December 31, 2005 and fees billed for other services rendered by KPMG during those periods. All amounts include fees for services provided to TSYS by KPMG.

	2006	2005
Audit Fees(1)	\$ 3,408,000	\$ 2,993,000
Audit Related Fees(2)	1,965,000	1,331,000
Tax Fees(3)	495,000	355,000
All Other Fees	-0-	-0-
Total	\$ 5,868,000	\$ 4,679,000

- (1) Audit fees represent fees for professional services provided in connection with the audits of Synovus consolidated financial statements and internal control over financial reporting, reviews of quarterly financial statements, issuance of comfort letters and other SEC filing matters, and audit or attestation services provided in connection with other statutory or regulatory filings.
- (2) Audit related fees consisted principally of fees for accounting research, certain agreed upon procedures engagements, certain internal control reports, employee benefit plan audits and due diligence services related to acquisitions.
- (3) Tax fees consisted of fees for tax compliance/preparation (\$13,000 in 2006) and tax consultation (\$482,000 in 2006) services.

Policy on Audit Committee Pre-Approval

The Audit Committee has the responsibility for appointing, setting the compensation for and overseeing the work of Synovus independent auditor. In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent auditor in order to assure that the provision of these services does not impair the independent auditor's independence. Synovus Audit Committee Pre-Approval Policy addresses services included within the four categories of audit and permissible non-audit services, which include Audit Services, Audit Related Services, Tax Services and All Other Services.

The annual audit services engagement terms and fees are subject to the specific pre-approval of the Audit Committee. In addition, the Audit Committee must specifically approve permissible non-audit services classified as All Other Services.

Prior to engagement, management submits to the Committee for approval a detailed list of the Audit Services, Audit Related Services and Tax Services that it recommends the Committee engage the independent auditor to provide for the fiscal year. Each specified service is allocated to the appropriate category and accompanied by a budget estimating

the cost of that service. The Committee will, if appropriate, approve both the list of Audit Services, Audit Related Services and Tax Services and the budget for such services.

The Committee is informed at each Committee meeting as to the services actually provided by the independent auditor pursuant to the Pre-Approval Policy. Any proposed service that is not separately listed in the Pre-Approval Policy or any service exceeding the pre-approved fee levels must be specifically pre-approved by the Committee. The Audit Committee has delegated pre-approval authority to the Chairman of the Audit Committee. The Chairman must report any pre-approval decisions made by him to the Committee at its next scheduled meeting.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The following Compensation Discussion and Analysis (CD&A) describes our compensation program for the executive officers named in the Summary Compensation Table on page 39 (named executive officers). Specifically, the CD&A addresses:

the objectives of our compensation program (found in the section entitled Compensation Philosophy and Overview);

what our compensation program is designed to reward (also described in the section entitled Compensation Philosophy and Overview);

each element of compensation (set forth in the section entitled Primary Elements of Compensation);

why each element was chosen (described with each element of compensation including base pay, short-term incentives and long-term incentives);

how amounts and formulas for pay are determined (also described with each element of compensation including base pay, short-term incentives and long-term incentives); and

how each compensation element and our decisions regarding that element fit into Synovus overall compensation objectives and affect decisions regarding other elements (described with each element of compensation, as well as in the section entitled Benchmarking).

For information about the Compensation Committee and its charter, its processes and procedures for administering executive compensation, the role of compensation consultants and other governance information, please see Committees of the Board on page 4.

Compensation Philosophy and Overview

Synovus has established a compensation program for our executives that is competitive, performance-oriented and designed to support our strategic goals. The goals and objectives of our compensation program are described below.

Synovus executive compensation program is designed to compete in the markets in which we seek executive talent. We believe that we must maintain a competitive compensation program that allows us to recruit top level executive talent and that will prevent our executives from being recruited from us. Our compensation program is also designed to be performance-oriented. A guiding principle in developing our compensation program has been average pay for average performance above-average pay for above-average performance. As a result, a significant portion of the total compensation of each executive is at risk based on short and long-term performance. Because of our emphasis on performance, we also believe that compensation generally should be earned by executives while they are actively employed and can contribute to Synovus performance.

Synovus' compensation program is also designed to support corporate strategic goals, including growth in earnings and growth in shareholder value. As described in more detail below, earnings growth is the primary driver of our short-term incentive program and growth in shareholder value is the primary driver of our long-term incentive program. Synovus believes that the high degree of performance orientation and the use of goals based upon growth in earnings and growth in shareholder value in our incentive plans aligns the interests of our executives with the interests of our shareholders. In addition, Synovus has adopted stock ownership guidelines and a hold until retirement provision in connection with our equity compensation programs, which further align our executives' interests with the interests of our shareholders.

Table of Contents***Primary Elements of Compensation***

There are three primary elements of compensation in Synovus' executive compensation program: base pay, short-term incentive compensation and long-term incentive compensation. Short-term and long-term incentive compensation are tied directly to performance. Short-term incentive compensation is based upon Synovus' fundamental operating performance measured over a one-year period, while long-term incentive compensation is based upon Synovus' total shareholder return measured over a three-year period. Synovus has not established a specific targeted mix of compensation between base pay and short-term and long-term incentives. However, both short-term and long-term incentives are based upon percentages or multiples of base pay. If both short-term and long-term incentives are paid at target, long-term incentives are the largest portion of an executive's total compensation package. For example, if short-term and long-term incentives are paid at target, long-term incentives would constitute almost fifty percent of an executive's total compensation package, thereby illustrating our emphasis on performance and growth in shareholder value.

Base Pay. Base pay is seen as the amount paid to an executive for performing his or her job on a daily basis. To ensure that base salaries are competitive, Synovus targets base pay at the median (e.g., the 50th percentile) of the market for similarly situated positions, based upon each executive's position and job responsibilities. The market used by Synovus for benchmarking base pay is banks with similar asset size as Synovus. From a list of competitor banks, Synovus selects the 12 banks with higher asset size and the 12 banks with lower asset size as the appropriate companies against which to benchmark base pay (the Peer Companies). For 2006, the Peer Companies were: AmSouth Bancorporation, Associated Banc-Corp., Bok Financial Group, City National Corp., Colonial Bancgroup, Inc., Comerica Inc., Commerce Bancorp, Inc., Commerce Bancshares, Inc., Compass Bancshares, Inc., First Citizens BancShares, Inc., First Horizon National Corp., Fulton Financial Corp., Huntington Bancshares, Inc., Marshall & Ilsley Corp., Mellon Financial Corp., Mercantile Bankshares Corp., Popular, Inc., Sky Financial Group, Inc., The South Financial Group, Inc., TCF Financial Corp., TD Banknorth Inc., Unionbanal Corp., Valley National Bancorp. and Zions Bancorporation.

When establishing base salaries, the Committee compares each executive's current base pay to the market median for that position using proxy information from the Peer Companies. For certain positions for which there is no clear market match in the benchmarking data, Synovus uses a blend of two or more positions from the benchmarking data. The Committee also reviews changes in the benchmarking data from the previous year. The Committee then uses this data to establish a competitive base salary for each executive. For example, an executive whose base salary is below the benchmarking target for his or her position may receive a larger percentage increase than an executive whose base salary exceeds the benchmarking target for his or her position.

In addition to market comparisons of similar positions at the Peer Companies, individual performance may affect base pay. For example, an executive whose performance is not meeting expectations may receive no increase in base pay or a smaller base pay increase in a given year. On the other hand, an executive with outstanding performance may receive a larger base pay increase or more frequent base pay increases.

Base pay is not directly related to Synovus' performance, except over the long term since asset size is used in benchmarking base pay against the Peer Companies. Comparison of an executive's base salary to the base salaries of other Synovus executives may also be a factor in establishing base salaries, especially with respect to positions for which there is no clear market match in the base pay benchmarking data. For 2006, all of the base pay increases for the named executive officers were calculated taking into account the market data described above as well as existing base salaries, the 2006 merit budget, internal pay equity, individual performance, experience, time in position and retention needs.

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Because of the process we use to establish base pay, large increases in base pay generally occur only when an executive is promoted into a new position. For example, as the result of Mr. Green's promotion to President and Chief Operating Officer during 2006, Mr. Green's base pay was increased from \$390,000 to \$500,000 using the process and factors described above.

Short-Term Incentives. In addition to base salary, our executive compensation program includes short-term incentive compensation. We have elected to pay short-term incentive compensation in order to (1) provide an incentive for executives to meet our short-term earnings growth goals, and (2) ensure a competitive compensation program given the marketplace prevalence of short-term incentive compensation.

Our short-term incentive program is tied directly to our fundamental operating performance measured over a one-year period. Each year, the Committee establishes a target for earnings per share (EPS) growth. The target is generally set at the EPS growth guidance that has been publicly disclosed by Synovus. A target goal of 100% equates to a market award, which is a typical short-term incentive award for similar positions at the Peer Companies, expressed as a percentage of base salary. Actual short-term incentive targets for 2006 were set taking into account median market data at the Peer Companies, as well as existing incentive targets, internal pay equity, individual performance and retention needs. The target short-term incentive percentage for Mr. Anthony is 100% of base salary, the target short-term incentive percentage for Mr. Green is 85% of base salary and the target short-term incentive percentage for Synovus' other named executive officers is 70% of base salary.

The amount of a short-term incentive award can range from zero to 200% of a target grant in accordance with a schedule approved by the Committee each year. For 2006, the Committee approved the following schedule:

EPS Percentage Growth	Percent of Target Bonus Paid
15%	200%
14.5%	175%
14.0%	150%
13.5%	125%
13.0%	100%
12.0%	90%
10.0%	70%
8.0%	50%
6.0%	40%
4.0%	30%
2.0%	20%
0.0%	0%

Although the target EPS growth goal set by the Committee is generally based upon the initial EPS guidance which has been publicly disclosed by Synovus calculated in accordance with generally accepted accounting principles (GAAP), from time to time the target percentages are based on non-GAAP EPS growth percentages for purposes of determining short-term incentive compensation because of unusual events that could occur during the year. These events include changes in accounting and regulatory standards, changes in tax rates and laws, charges for corporate or workforce restructurings, acquisitions and divestitures and expenses or income associated with the conversion or deconversion of a major TSYS customer. In 2006, the target EPS growth goal under the short-term incentive payout schedule was made more difficult by the amount of the net financial impact of the deconversion of Bank of America's consumer credit card portfolio from TSYS.

As is common practice in the market, short-term incentives are paid in a lump-sum cash payment as soon as practicable in the year following the performance year, usually no later than

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January 31. Under the short-term incentive plan, the Committee has the right to exercise downward discretion and reduce the amount that would otherwise be awarded under the above schedule. For example, the short-term incentive awards can be reduced to reflect individual or business unit performance, to exclude unanticipated, non-recurring gains, or for affordability (reduced in order to fund another expense, such as other incentive compensation or retirement plans).

The short-term incentive awards for 2006 are set forth in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. The 2006 short-term incentive awards would have been paid at 200% of target based upon the bonus payout schedule approved by the Committee (Synovus had a 16% increase in EPS for 2006). Based upon affordability, however, the Committee approved bonus awards at 175% of target.

Long-Term Incentives. Our executive compensation program also includes long-term incentive compensation, which is paid in equity in Synovus. We have elected to pay long-term incentive compensation in order to: (1) provide an incentive for our executives to provide exceptional shareholder return to Synovus shareholders by tying a significant portion of their compensation opportunity to growth in shareholder value, (2) align the interests of executives with shareholders by awarding executives equity in Synovus, and (3) ensure a competitive compensation program given the market prevalence of long-term incentive compensation.

Synovus long-term incentive plan awards equity to executives based upon Synovus performance, as measured by total shareholder return (TSR), over a three-year period. We use a three-year period to measure performance for purposes of our long-term incentive awards in order to reduce the impact of unusual events that may occur in a given year.

Under Synovus long-term incentive program, TSR is measured in two ways: (1) absolute TSR, and (2) TSR compared to Synovus competitors. TSR for each measurement period is calculated by dividing Synovus stock price appreciation and dividends paid by the beginning stock price. We use both measures of shareholder return because we believe shareholders are interested both in how Synovus shareholder return compares to its competitors, as well as their actual return on their investment. The competitors, for purposes of long-term incentives, are the banks in the Keefe, Bruyette and Woods 50 Index (KBW 50). Synovus selected the KBW 50, which is a published banking index, for awarding long-term incentives to ensure that the companies are chosen by an independent third party and to provide consistency from year to year in the assessment of long-term performance for incentive purposes.

The amount of long-term incentives awarded to executives each year is based upon a performance grid approved by the Committee. The performance grid has been in place substantially in its current form for over a decade. This grid is reproduced below showing the absolute TSR over the three preceding calendar years as the horizontal measurement and the percentile performance of Synovus against the KBW 50 over the three preceding calendar years as the vertical measurement.

Payout as a Percent of Target

Percentile of 3-year SNV
TSR
vs. KBW 50

90 th	75%	100%	150%	200%	250%
70 th	50%	100%	125%	150%	200%
50 th	50%	75%	100%	125%	150%
30 th	50%	50%	75%	100%	100%
<30 th	*	50%	50%	75%	75%
	<4%	4%	8%	10%	16%

3-Year Annualized Synovus TSR

* Long-term incentives are awarded at 50% of target and solely in stock options as described below.

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The award percentages in the performance grid are multiplied by the amount of a target long-term incentive award, which is expressed as a percentage of base salary at the time the award is made. Actual long-term incentive targets are established taking into account market median data at the Peer Companies, as well as existing incentive targets, internal pay equity, individual performance and retention needs. The target long-term incentive percentage for Mr. Anthony is 200% of base salary, the target long-term incentive percentage for Mr. Green is 175% of base salary and the target long-term incentive percentage for Synovus' other named executive officers is 150% of base salary.

Synovus believes that there are advantages and disadvantages to every form of equity award. As a result, awards payable under the performance grid are generally paid 50% in restricted stock and 50% in stock options, but the Committee has the discretion to vary the form of the award as needed for accounting, tax or other reasons. The 50%/50% split in equity awarded is based upon the estimated overall value of the award as of the date of grant (a stock option is estimated to be equal to one-third the value of a restricted stock award).

In the event that Synovus' TSR falls within the bottom left-hand corner of the payout grid (i.e., Synovus' annualized TSR is less than 4% and is also less than the 30th percentile compared to the KBW 50) for a particular year, executives will be awarded 50% of a target long-term incentive award, awarded solely in Synovus stock options, issued at fair market value (i.e., closing price) on the date of the award. The Committee believes that executives should receive a stock option grant even if Synovus' TSR falls within this category because competitor companies would make such a grant and the stock price must appreciate from that point in order for the executive to benefit from the grant.

Because the Committee may take action to approve equity awards on or near the date that Synovus' annual earnings are released, the Committee has established the last business day of the month in which earnings are released as the grant date for equity awards to ensure that the annual earnings release has time to be absorbed by the market before equity awards are granted and stock option exercise prices are established. Synovus released its annual earnings on January 18, 2006. The Committee met on January 18, 2006 to approve stock option and restricted stock awards to the named executive officers effective January 31, 2006. As a result, the grant date for long-term incentive awards (stock options and restricted stock awards) was January 31, 2006. The closing price of Synovus stock on January 31, 2006 was used as the exercise price for stock options and to determine the FAS 123(R) accounting expense and was also used for disclosure in the compensation tables in this Proxy Statement.

In 2006, long-term incentive equity awards were granted to Synovus' named executive officers pursuant to the above grid based upon the 2003-2005 performance period. For this performance period, Synovus' annualized TSR was 14.73% and Synovus' TSR was in the 49th percentile of the KBW 50. Under the grid, this resulted in a long-term incentive award equal to 140% of target. The equity awards made to Synovus' named executive officers in 2006 are set forth in the All Other Stock Awards and All Other Option Awards columns in the Grant of Plan-Based Awards Table. The Committee granted all of the named executive officers 50% stock options and 50% restricted stock awards, except for Mr. Blanchard. Mr. Blanchard was awarded 100% stock options because he had announced his retirement during 2006 and, as a result of his retirement, he would not vest in restricted stock awards.

In addition to the annual long-term incentive awards awarded pursuant to the performance grid described above, the Committee has granted other long-term incentive awards in certain circumstances. For example, the Committee made restricted stock awards grants to Messrs. Anthony and Green in 2005 to reflect their promotions and to serve as a vehicle for retaining their services in their new roles. The award to Mr. Green vests 20% a year for five years based upon continued service. Although the grant to Mr. Anthony was awarded primarily for retention,

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the Committee approved a performance-based grant to link his award to a threshold level of performance. The award to Mr. Anthony vests over a five to seven year period. The Committee establishes performance measures each year during the seven year vesting period and, if the performance measure is attained for a particular year, 20% of the award vests. The performance measure established for 2006 was 75% of the EPS target established under Synovus short-term incentive plan.

The Committee also awarded challenge grant stock options to Mr. Blanchard in 1999 and 2000, and to Messrs. Anthony, Prescott and Griffith and Ms. James in 2000. The challenge grants were significant in size, with Mr. Blanchard receiving a combined grant of 1,500,000 stock options and the other named executive officers each receiving a grant of 400,000 stock options. The challenge grants were designed to provide these executives with an incentive for exceptional growth in shareholder return, as well as to retain the services of the executives who received the grants for a significant period of time. The challenge grants vest in equal installments if the fair market value of Synovus stock exceeds \$40, \$45 and \$50 per share. The challenge grants vested on September 12, 2006 for Mr. Blanchard because of his length of service. In addition, the challenge grants will vest on June 29, 2007 for the other executives if the stock price targets are not attained prior to such date, provided the executives remain in the continuous employment of Synovus through such date.

Benchmarking

As described above, Synovus benchmarks base salaries and market short-term and long-term incentive target awards with the Peer Companies. Synovus also benchmarks total compensation (base salary, short-term incentives and long-term incentives) of its executives. Synovus uses the Peer Companies for benchmarking total compensation, as well as external market surveys. Synovus uses a three-year look back of the total compensation benchmark data to reduce the impact of short-term fluctuations in the data which may occur from year to year. When reviewing the total compensation benchmarking data, Synovus focuses on total compensation opportunities, not necessarily the amount of compensation actually paid, which varies depending upon Synovus performance results due to the program's performance orientation. For example, over the past five years, Synovus long-term incentive awards have been below target for three of the five years, at target for one year and above-target for one year. Although these awards result in compensation amounts for Synovus executives that could be considered below market in total, the Committee believes the amount of compensation paid to its executives is appropriate given Synovus shareholder return during this five-year period.

Perquisites

Perquisites are a very small part of our executive compensation program. Perquisites are not tied to performance of Synovus. Perquisites are offered to align our compensation program with competitive practices because similar positions at Synovus competitors offer similar perquisites. The perquisites offered by Synovus are set forth in footnotes (5), (6) and (7) of the Summary Compensation Table. Considered both individually and in the aggregate, we believe that the perquisites we offer to our named executive officers are reasonable and appropriate.

Employment Agreements

Synovus does not generally use employment agreements with respect to its executives, except in unusual circumstances. For example, Synovus entered into an employment agreement with Mr. Blanchard in 1999 in order to ensure his continued service for a seven-year period. Under the agreement, which expired on September 13, 2006, we provided Mr. Blanchard with \$468,000 in deferred compensation, payable to him over a 15 year period following his retirement. The deferred compensation paid to Mr. Blanchard during 2006 is reflected in the All Other Compensation column in the Summary Compensation Table. No other named executive officers have employment agreements.

Table of Contents***Retirement Plans***

Our compensation program also includes retirement plans designed to provide income following an executive's retirement. We have chosen to use defined contribution retirement plans because we believe that defined benefit plans are difficult to understand, difficult to communicate, and contributions to defined benefit plans often depend upon factors that are beyond Synovus' control, such as the earnings performance of the assets in such plans compared to actuarial assumptions inherent in such plans. Synovus offers three qualified defined contribution retirement plans to its employees: a money purchase pension plan, a profit sharing plan and a 401(k) savings plan.

The money purchase pension plan has a fixed 7% of compensation employer contribution every year. The profit sharing plan and any employer contribution to the 401(k) savings plan are tied directly to Synovus' performance. There are opportunities under both the profit sharing plan and the 401(k) savings plan for employer contributions of up to 7% of compensation based upon the achievement of EPS growth goals. For 2006, Synovus' named executive officers received a contribution of 7% of compensation under the profit sharing plan and 2% of compensation under the 401(k) savings plan based upon Synovus' performance. The retirement plan contributions for 2006 are included in the All Other Compensation column in the Summary Compensation Table.

In addition to these plans, the Synovus/TSYS Deferred Compensation Plan (Deferred Plan) replaces benefits lost under the qualified plans due to legal limits imposed by the IRS. The Deferred Plan does not provide above market interest. Instead, participants in the Deferred Plan can choose to invest their accounts among mutual funds that are generally the same as the mutual funds that are offered in the 401(k) savings plan. The executives' Deferred Plan accounts are held in a rabbi trust, which is subject to claims by Synovus' creditors. The employer contribution to the Deferred Plan for 2006 for named executive officers is set forth in the All Other Compensation column in the Summary Compensation Table and the earnings on the Deferred Plan accounts during 2006 for named executive officers is set forth in the Aggregate Earnings in Last FY column in the Nonqualified Deferred Compensation Table and in the All Other Compensation column in the Summary Compensation Table.

Post-Termination Compensation Philosophy

Synovus' compensation program is designed to reflect Synovus' philosophy that compensation generally should be earned while actively employed. Although retirement benefits are paid following an executive's retirement, the benefits are earned while employed and are substantially related to performance as described above. Synovus has entered into limited post-termination arrangements when appropriate, such as the consulting agreement for Mr. Blanchard or the change of control agreements, both of which are described in the Potential Payouts Upon Termination or Change of Control section.

Synovus decided to enter into a Consulting Agreement with Mr. Blanchard to provide for a smooth and orderly transition upon Mr. Blanchard's retirement, and to avail itself of Mr. Blanchard's knowledge and experience obtained during his 35 years of employment with Synovus.

Synovus chose to enter into change of control arrangements with its executives: (1) to ensure the retention of executives and an orderly transition during a change of control, (2) to ensure that executives would be financially protected in the event of a change of control so they continue to act in the best interests of Synovus while continuing to manage Synovus during a change of control, and (3) to ensure a competitive compensation package because such arrangements are common in the market and it was determined that such agreements were important in recruiting executive talent. During 2004 and the beginning of 2005, the Committee reviewed the change of control arrangements and determined that certain provisions were not in line with the Committee's philosophy or market practice. As a result, the change of control agreements for the named executive officers were amended at the beginning of 2005 to:

(1) toughen the definition of

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a change of control from a merger in which the former shareholders of Synovus own less than two-thirds (2/3) of the surviving company to a merger in which less than sixty percent (60%) of the surviving company is owned by the former shareholders, (2) implement a double trigger (as described below) in order for benefits to be paid under the agreements, thereby eliminating the ability of an executive to trigger benefits by voluntarily resigning during the 13th month following a change of control, (3) extend the time during which an executive can receive benefits under the agreement upon an involuntary termination without cause or a voluntary termination for good reason from one year to two years, and (4) provide that a gross-up for excise taxes only occurs if the total change of control payments exceed 110% of the applicable IRS cap. A double trigger means that two events must occur in order for benefits to be paid: (1) a change of control, and (2) a termination of employment (actual or constructive) within two years following the change of control. The Committee specifically chose a double trigger form of agreement because the Committee believed that double trigger agreements provided executives with sufficient financial protection in the event of a change of control and because double trigger agreements were the prevalent market practice.

Stock Ownership/Retention Guidelines

To align the interests of its executives with shareholders, Synovus has implemented stock ownership guidelines for its executives. Under the guidelines, executives are required to maintain either five, four or three times the amount of their base salary in Synovus stock. Synovus Chief Executive Officer is required to maintain five times his base salary, the President four times his base salary and the other executive officers three times their base salaries. The guidelines are recalculated at the beginning of each calendar year. The guideline was initially adopted January 1, 2004 and executives had a five-year grace period to fully achieve the guideline with an interim three-year goal. Until the guideline is achieved, executives are required to retain all net shares received upon the exercise of stock options, excluding shares used to pay the option's exercise price and any taxes due upon exercise. In the event of a severe financial hardship, the guidelines permit the development of an alternative ownership plan by the Chairman of the Board of Directors and Chairman of the Compensation Committee. All executives are currently in compliance with the guideline.

Synovus has also adopted a hold until retirement provision. Under this provision, executives that have attained the stock ownership guidelines described above are also required to retain ownership of 50% of all stock acquired through Synovus equity compensation plans (after taxes and transaction costs) until their retirement or other termination of employment. The hold until retirement provision applies to all unexercised stock options and unvested restricted stock awards. Synovus believes that the hold until retirement requirement further aligns the interests of its executives with shareholders.

Tally Sheets

The Committee has reviewed tally sheets for each of Synovus named executive officers. The tally sheets add up all forms of compensation for each officer and also provide estimates of the amounts payable to each executive upon the occurrence of potential future events, such as a change of control, retirement, voluntary or involuntary termination, death and disability. The tally sheets are used to provide the Committee with total compensation amounts for each executive so that the Committee can determine whether the amounts are reasonable or excessive. Although the tally sheets are not used to benchmark total compensation with specific companies, the Committee considers total compensation paid to executives at other companies in considering the reasonableness of our executives total compensation. After reviewing the tally sheets, the Committee determined that the total compensation amounts are fair, reasonable and competitive.

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Other Policies

Restatements. Synovus does not have a formal policy regarding the recovery of awards or payouts in the event the financial statements upon which Synovus' performance measurements are based are restated or otherwise adjusted in a manner that could reduce the size of an award. Synovus believes that the decision of whether a recovery is appropriate would depend upon the facts and circumstances surrounding the restatement or adjustment.

Tax Considerations. We have structured most forms of compensation paid to our executives to be tax deductible. For example, Internal Revenue Code Section 162(m) limits the deductibility of compensation paid by a publicly-traded corporation to its Chief Executive Officer and four other highest paid executives for amounts in excess of \$1 million, unless certain conditions are met. The base salaries of all of our named executive officers are tax-deductible because they are less than \$1 million. In addition, the short-term and long-term incentive plans have been approved by shareholders and awards under these plans are designed to qualify as performance-based compensation to ensure deductibility under Code Section 162(m). We reserve the right to provide compensation which is not tax-deductible, however, if we believe the benefits of doing so outweigh the loss of a tax deduction. The only form of executive compensation not currently tax-deductible by Synovus is the personal use of corporate aircraft. We believe that a small amount of personal use each year is an appropriate perquisite for our executives, despite the loss of a tax deduction.

In general, Synovus does not gross-up its officers for taxes that are due with respect to their compensation. An example of an exception to this rule is for excise taxes that may be due with respect to the change of control agreements, as described above.

Accounting Considerations. We account for all compensation paid in accordance with GAAP. The accounting treatment has generally not affected the form of compensation paid to named executive officers.

Board Fees. Our executives who serve on the Boards of Directors of Synovus and its subsidiaries are paid the same cash director fees as those paid to non-executive directors and are also entitled to participate in Synovus' Director Stock Purchase Plan, which is described under Equity Compensation of Directors. However, directors who are also executives do not receive the equity compensation that is granted to non-executive directors of Synovus and TSYS. Although paying cash director fees to inside executives who serve on Boards of Directors is not the prevalent market practice, it has been the historical practice at Synovus for many years and constitutes a small portion of affected executive's total compensation amount. These amounts are included in the All Other Compensation column of the Summary Compensation Table.

Conclusion

For the reasons described above, we believe that each element of compensation offered in our executive compensation program, and the total compensation delivered to each named executive officer, is fair, reasonable and competitive.

Significant Events After December 31, 2006

The Committee granted stock options and restricted stock awards to Synovus' named executive officers effective January 31, 2007 in accordance with the performance grid discussed under Long-Term Incentives above. The awards, which were made based upon Synovus' TSR for the 2004-2006 performance period, were made at 50% of target. Messrs. Anthony, Prescott, Green and Griffith and Ms. James were each granted stock option awards of 38,475, 12,825, 14,876, 14,551 and 13,230 shares, respectively, at an exercise price of \$31.93, the closing price of Synovus stock on January 31, 2007. In addition, Messrs. Anthony, Prescott, Green and Griffith and Ms. James were each

granted restricted stock awards of 12,825, 4,275, 4,959, 4,850 and 4,410 shares, respectively, effective January 31, 2007. The stock options and restricted stock awards vest over a three year period, in equal annual installments of one-third each, on

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January 31, 2008, January 31, 2009 and January 31, 2010. The awards will be described in detail in next year's Proxy Statement.

COMPENSATION COMMITTEE REPORT

Synovus' Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee

V. Nathaniel Hansford, Chair

T. Michael Goodrich

Mason H. Lampton

Table of Contents**SUMMARY COMPENSATION TABLE**

The table below summarizes the compensation for each of the named executive officers for the fiscal year ended December 31, 2006.

The named executive officers were not entitled to receive payments which would be characterized as Bonus payments for the fiscal year ended December 31, 2006. The short-term incentive amounts paid to the named executives are set forth in the Non-Equity Incentive Plan Compensation column. Synovus methodology and rationale for short-term incentive compensation are described in the Compensation Discussion and Analysis above.

The named executive officers did not receive any compensation that is reportable under the Change in Pension Value and Nonqualified Deferred Compensation Earnings column because, as described in the Compensation Discussion and Analysis, Synovus has no defined benefit pension plans and does not pay above-market interest on deferred compensation. The 2006 retirement plan contributions and earnings for the named executive officers are set forth in the All Other Compensation column.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonquali- fied	All Other Compensation (\$)	Total (\$)
							Deferred Compensation Earnings (\$)		
Edward E. Anthony Chairman of the Board and Chief Executive Officer	2006	\$ 819,000		\$ 615,086	\$ 728,840	\$ 1,433,250		\$ 447,929(3)(4)(8)	\$ 4,044,000
Thomas J. Prescott Executive Vice President and Chief Financial Officer	2006	364,000		148,830	496,636	445,900		173,368(4)(5)(7)	1,628,000
Thomas H. Blanchard Chairman of the Board and Chief Executive Officer,	2006	497,992			2,949,566	871,486		659,712(3)(4)(5)(6)	4,978,000

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nders ith, III or Executive Vice dent, General sel and Secretary	2006	413,000	175,280	517,609	505,925	141,925(4)(8)	1,753,
beth R. James Chairman and F People Officer	2006	375,500	156,073	502,520	459,988	202,954(3)(4)(5)	1,697,
erick L. n, III dent and Chief ating Officer	2006	408,333	297,054	124,443	522,083	235,482(3)(4)(5)(7)	1,587,

- (1) The amounts in this column reflect the dollar amount recognized for financial statement reporting purposes for 2006 in accordance with FAS 123(R) and include amounts from awards granted in 2006 and prior to 2006. For a discussion of the restricted stock awards reported in this column, see Note 15 of Notes to Consolidated Financial Statements in the Financial Appendix.
- (2) The amounts in this column reflect the dollar amount recognized for financial statement reporting purposes for 2006 in accordance with FAS 123(R) and include amounts from awards granted in 2006 and prior to 2006. For a discussion of the assumptions made in the valuation of the stock option awards reported in this column, see Note 15 of Notes to Consolidated Financial Statements in the Financial Appendix.
- (3) Amount includes director fees paid in cash of \$91,100, \$99,100, \$51,100 and \$35,000 for Messrs. Anthony, Blanchard and Green and Ms. James, respectively, in connection with their service as directors and/or advisory directors of Synovus and certain of its subsidiaries; matching contributions under the Synovus and TSYS Director Stock Purchase Plans of \$17,500 for Mr. Anthony; matching contributions under the Synovus Director Stock Purchase Plan of \$10,000 for each of Mr. Green and Ms. James; and \$80,000 in consulting fees paid to Mr. Blanchard as described under

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Consulting Agreement on page 45 (which matching contributions and consulting fees would be categorized as All Other Compensation if set forth in the Director Compensation Table.)

- (4) Amount includes allocations to qualified defined contribution plans of \$35,200 for each executive; allocations (including earnings) to nonqualified deferred compensation plans of \$304,119, \$123,239, \$309,284, \$106,725, \$125,620 and \$108,897 for Messrs. Anthony, Prescott, Blanchard, Griffith and Green and Ms. James, respectively; and deferred compensation of \$7,800 paid to Mr. Blanchard pursuant to the provisions of a prior employment agreement between Mr. Blanchard and Synovus.
- (5) Amount includes the costs incurred by Synovus in connection with providing the perquisites of reimbursement for financial planning services and the provision of an automobile allowance. Amount also includes the incremental cost to Synovus for reimbursement of country club dues, if any, and the incremental cost to Synovus for personal use of the corporate aircraft. Amounts for these items are not quantified because they do not exceed the greater of \$25,000 or 10% of the total amount of perquisites.
- (6) In addition to the items noted in footnote (5), the amount also includes the incremental cost to Synovus, if any, of security alarm monitoring; the cost of spousal entertainment (recreational activities at the TSYS Board retreat); the cost of providing office space and administrative assistance subsequent to Mr. Blanchard's retirement in October 2006, which costs would be categorized as All Other Compensation if set forth in the Director Compensation Table; and \$61,166, which is the amount paid by Synovus for a painting that was presented to Mr. Blanchard as a retirement gift and \$28,883 for the reimbursement of taxes owed with respect to his receipt of the retirement gift. Amounts for the security alarm monitoring, spousal entertainment, office space and administrative assistance are not quantified because they do not exceed the greater of \$25,000 or 10% of the total amount of perquisites.
- (7) In addition to the items noted in footnote (5), the amount also includes for Mr. Green the costs incurred by Synovus for spousal entertainment (recreational activities at the TSYS Board retreat) and for Mr. Prescott the incremental cost incurred by Synovus, if any, for security alarm monitoring. Amounts for these items are not quantified because they do not exceed \$25,000 or 10% of the total amount of perquisites.
- (8) Amount excludes perquisites because the total value of perquisites does not exceed \$10,000.

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**GRANTS OF PLAN-BASED AWARDS
for the Year Ended December 31, 2006**

The table below sets forth the short-term incentive compensation (payable in cash) and long-term incentive compensation (payable in the form of restricted stock awards and stock options) awarded to the named executive officers for 2006.

	Grant Date	Action Date (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (2)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares or Units (#)(3)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date and Fair Value of Stock and Option Awards
			Thresh- old (\$)	Target (\$)	Maximum (\$)	Thresh- old (#)	Maxi- mum (#)					
Edward E. Conroy	1-31-06	1-18-06						32,536			\$ 900,000	
	1-31-06	1-18-06	\$ 0	\$ 819,000	\$ 1,638,000				97,608	\$ 27.67	641,000	
Thomas J. Cott	1-31-06	1-18-06						12,902			356,000	
	1-31-06	1-18-06	0	254,800	509,600				38,706	27.67	254,000	
Thomas H. Richard	1-31-06	1-18-06							225,619	27.67	1,335,000	
			0	497,992	995,984							
Andrew S. Smith, III	1-31-06	1-18-06						15,084			417,000	
	1-31-06	1-18-06	0	289,100	578,200				45,252	27.67	297,000	
Robert J. Thomas	1-31-06	1-18-06						13,433			371,000	
	1-31-06	1-18-06	0	262,850	525,700				40,300	27.67	264,000	
Richard A. Green	1-31-06	1-18-06						13,623			376,000	
	1-31-06	1-18-06	0	298,333	596,666				40,869	27.67	268,000	

- (1) The Synovus Compensation Committee met on January 18, 2006 and approved the grant of restricted stock awards and stock options to the named executive officers effective January 31, 2006.
- (2) The amounts shown in this column represent the minimum, target and maximum amounts payable under Synovus Executive Cash Bonus Plan for 2006. Awards are paid in cash and are based upon attainment of adjusted earnings per share growth goals.
- (3) The number set forth in this column reflects the number of shares of restricted stock awarded to each executive during 2006. The restricted stock awards vest over a three-year period, with one-third of the shares vesting on each of the first, second and third anniversaries of the date of grant. Vesting is based upon continued employment through the vesting date. Dividends are paid on the restricted stock award shares.
- (4) The number set forth in this column reflects the number of stock options granted to each executive during 2006. The stock option awards vest over a three-year period, with one-third of the shares vesting on each of the first, second and third anniversaries of the date of grant. Vesting is based upon continued employment through the vesting date.

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**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END
December 31, 2006**

Name	Option Awards				Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)			Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Richard E. Anthony(1)	78,368			\$ 18.38				
	69,120			20.83	32,536	\$ 1,003,085	50,709	\$ 1,563,358
	59,672			22.88				
	150			19.19				
	16,217			18.06				
		400,000		17.69				
	12,778			26.44				
	23,208			26.50				
	45,620			25.70				
		57,047		26.82				
		97,608		27.67				
Thomas J. Prescott(2)	23,976			20.83	4,446	137,070		
	20,970			22.88	12,902	397,769		
	150			19.19				
	11,409			18.06				
		400,000		17.69				
	15,932			26.44				
	15,566			26.50				
	26,265			25.70				

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13,339 26.82 01/20/15
 38,706 27.67 01/30/16

James H.
 Blanchard 240,113 18.38 06/30/07
 375,000 14.50 11/02/07
 211,779 20.83 01/12/08
 170,751 22.88 02/08/09
 150 19.19 07/19/07
 500,000 19.06 09/12/09
 92,875 18.06 01/19/10
 582,125 18.06 01/19/10
 417,875 18.00 05/04/10
 72,489 26.44 01/16/11
 61,811 26.50 04/28/12
 89,300 25.70 01/20/14
 90,716 26.82 01/20/15
 225,619 27.67 01/30/16

G. Sanders
 Griffith,
 III(3) 59,076 20.83 01/12/08 5,341 164,663
 50,125 22.88 02/08/09 15,084 465,040
 150 19.19 07/19/07
 27,279 18.06 01/19/10
 400,000 17.69 06/28/10
 21,574 26.44 01/16/11

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Name	Option Awards					Stock Awards			
	Number of Securities	Number of Securities	Number of Securities	Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (\$)
	19,316			26.50	04/28/12				
	31,518			25.70	01/20/14				
		16,023		26.82	01/20/15				
		45,252		27.67	01/30/16				
Elizabeth R. James(4)	20,088			20.83	01/12/08	4,754	146,566		
	18,925			22.88	02/08/09	13,433	414,139		
	10,290			18.06	01/19/10				
		400,000		17.69	06/28/10				
	16,595			26.44	01/16/11				
	16,981			26.50	04/28/12				
	28,016			25.70	01/20/14				
		14,262		26.82	01/20/15				
		40,300		27.67	01/30/16				
Frederick L. Green, III(5)	32,400			20.83	01/12/08	20,880	643,730		
	35,803			22.88	02/08/09	4,684	144,408		
	150			19.19	07/19/07	13,623	419,997		
	19,993			18.06	01/19/10				

15,932		26.44	01/16/11
10,104		26.50	04/28/12
16,782		25.70	01/20/14
10,000		24.93	02/02/14
	14,052	26.82	01/20/15
	40,869	27.67	01/30/16

- (1) With respect to Mr. Anthony's unexercisable stock options, the 400,000 share grant vests on June 29, 2007, the 57,047 share grant vests on January 21, 2008, and the 97,608 share grant vests in equal installments of one-third each on January 31, 2007, January 31, 2008 and January 31, 2009. The 57,047 and 97,608 share grants also vest upon retirement, death or disability, a change of control, or upon an involuntary termination not for cause. With respect to Mr. Anthony's 32,536 share restricted stock award that has not vested, the award vests in equal installments of one-third each on January 31, 2007, January 31, 2008 and January 31, 2009. In addition, the performance-based restricted stock award of 63,386 shares granted to Mr. Anthony in 2005 vests as follows: the restricted shares have seven one-year performance periods (2005-2011). During each performance period, the Compensation Committee establishes an earnings per share goal and, if such goal is attained during any performance period, 20% of the restricted shares will vest. As of December 31, 2006, 50,709 of the 63,386 restricted shares have not vested.
- (2) With respect to Mr. Prescott's unexercisable stock options, the 400,000 share grant vests on June 29, 2007, the 13,339 share grant vests on January 21, 2008, and the 38,706 share grant vests in equal installments of one-third each on January 31, 2007, January 31, 2008 and January 31, 2009. The 13,339 and 38,706 share grants also vest upon retirement, death or disability, a change of control, or upon an involuntary termination not for cause. With respect to Mr. Prescott's restricted stock awards that have not vested, the 4,446 restricted share grant vests on January 21, 2008, and the 12,902 restricted share grant vests in three equal installments on January 31, 2007, January 31, 2008 and January 31, 2009.
- (3) With respect to Mr. Griffith's unexercisable stock options, the 400,000 share grant vests on June 29, 2007, the 16,023 share grant vests on January 21, 2008, and the 45,252 share grant vests in equal installments of one-third each on January 31, 2007, January 31, 2008 and January 31, 2009. The 16,023 and 45,252 share grants also vest upon retirement, death or disability, a change of control, or upon an involuntary termination not for cause. With respect to Mr. Griffith's restricted stock awards that have not vested, the 5,341 restricted share grant vests on January 21, 2008, and the 15,084 restricted share grant vests in three equal installments on January 31, 2007, January 31, 2008 and January 31, 2009.
- (4) With respect to Ms. James' unexercisable stock options, the 400,000 share grant vests on June 29, 2007, the 14,262 share grant vests on January 21, 2008, and the 40,300 share grant vests in equal installments of one-third

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each on January 31, 2007, January 31, 2008 and January 31, 2009. The 14,262 and 40,300 share grants also vest upon retirement, death or disability, a change of control, or upon an involuntary termination not for cause. With respect to Ms. James' restricted stock awards that have not vested, the 4,754 restricted share grant vests on January 21, 2008 and the 13,433 restricted share grant vests in three equal installments on January 31, 2007, January 31, 2008 and January 31, 2009.

- (5) With respect to Mr. Green's unexercisable stock options, the 14,052 share grant vests on January 21, 2008, and the 40,869 share grant vests in equal installments of one-third each on January 31, 2007, January 31, 2008 and January 31, 2009. These share grants also vest upon retirement, death or disability, a change of control, or upon an involuntary termination not for cause. With respect to Mr. Green's restricted stock awards that have not vested, the 4,684 restricted share grant vests on January 21, 2008, the 20,880 restricted share grant vests in four equal installments on January 21, 2007, January 21, 2008, January 21, 2009 and January 21, 2010, and the 13,623 restricted share grant vests in three equal installments on January 31, 2007, January 31, 2008 and January 31, 2009.

POTENTIAL PAYOUTS UPON TERMINATION OR CHANGE-IN-CONTROL

Synovus has entered into change of control agreements with its named executive officers, excluding Mr. Blanchard. Under these agreements, benefits are payable upon the occurrence of two events (also known as a "double trigger"). The first event is a change of control and the second event is the actual or constructive termination of the executive within two years following the date of the change of control. Change of control is defined, in general, as the acquisition of 20% of Synovus' stock by any person as defined under the Securities Exchange Act, turnover of more than one-third of the Board of Directors of Synovus, or a merger of Synovus with another company if the former shareholders of Synovus own less than 60% of the surviving company. For purposes of these agreements, a constructive termination is a material adverse reduction in an executive's position, duties or responsibilities, relocation of the executive more than 35 miles from where the executive is employed, or a material reduction in the executive's base salary, bonus or other employee benefit plans.

In the event payments are triggered under the agreements, each executive will receive three times his or her base salary as in effect prior to the termination, a percentage of his or her base salary equal to the average short-term incentive award percentage earned over the previous three calendar years prior to the termination, as well as a pro rata short-term incentive award calculated at target for the year of termination. These amounts are paid to the executive in a single lump-sum cash payment. Each executive will also receive health and welfare benefits for a three year period following the second triggering event. In addition, each executive will receive an amount that is designed to gross-up the executive for any excise taxes that are payable by the executive as a result of the payments under the agreement, but only if the total change of control payments to the executive exceed 110% of the applicable IRS cap. The following table quantifies the estimated amounts that would be payable under the change of control agreements, assuming the triggering events occurred on December 31, 2006.

	3x Base Salary	Average 3-Yrs Short-Term Incentive Award	Pro-Rata Target Short-Term Incentive Award	Health & Welfare Benefits	Stock Award Vesting	Stock Option Vesting(1)	Excise Tax Gross- up(2)	Total
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Richard E. Anthony	\$ 2,457,000	\$ 723,450	\$ 819,000	\$ 35,280	\$ 2,566,443	\$ 537,199	\$ 1,007,373	\$ 8,145,745
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Thomas J. Prescott	1,092,000	283,920	254,800	35,280	534,839	175,800		2,376,639
G. Sanders Griffith, III	1,239,000	322,140	289,100	35,280	629,703	207,248		2,722,471
Elizabeth R. James Frederick	1,126,500	292,890	262,850	35,280	560,705	184,359	192,937	2,655,521
L. Green, III	1,500,000	390,000	425,000	35,280	1,208,135	185,495	666,968	4,410,878

- (1) Estimated by multiplying number of options that vest upon change of control by difference in fair market value on December 31, 2006 and exercise price. Stock options also vest upon retirement, death, disability or involuntary termination of employment not for cause.
- (2) Estimated using entire amount in Stock Award Vesting and Stock Option Vesting columns and dividing the estimated excise tax amount by 43.55%, which percentage is designed to calculate the amount of gross-up payment necessary so the executive is placed in the same position as though the excise tax did not apply. No gross-up payment is made if change of control payments do not exceed applicable IRS cap by 110%.

Executives who receive these benefits are subject to a confidentiality obligation with respect to secret and confidential information about Synovus they know. There are no provisions

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regarding a waiver of this confidentiality obligation. No perquisites or other personal benefits are payable under the change of control agreements.

The Non-Qualified Deferred Compensation Table below sets forth the amount and form of deferred compensation benefits that the named executive officers would be entitled to receive upon their termination of employment.

Consulting Agreement

Synovus entered into a one-year Consulting Agreement with Mr. Blanchard effective October 18, 2006, the date of his retirement as Chairman of the Board. Under the Consulting Agreement, Mr. Blanchard receives monthly payments of \$26,667 and is provided with 25 hours of personal use of Synovus aircraft. Mr. Blanchard also receives office space and administrative assistance during the term of the Agreement and for two years thereafter. Mr. Blanchard received consulting payments of \$80,000 under the Consulting Agreement in 2006, which are reflected in the All Other Compensation column in the Summary Compensation Table. Under the Consulting Agreement, Mr. Blanchard is required to provide consulting services as requested by the Synovus CEO or Board of Directors. Mr. Blanchard's specific duties include serving on various boards of directors of financial services and civic and charitable organizations and providing Synovus with advice and counsel regarding these matters, developing major prospective customers and existing customer relationships and entertaining prospects and customers, and providing leadership training.

Synovus had previously entered into a seven-year Employment Agreement with Mr. Blanchard, effective September 13, 1999. Under this Agreement, Mr. Blanchard received a base salary of \$497,992 for 2006, prior to his retirement. The Employment Agreement with Mr. Blanchard provides Mr. Blanchard with deferred compensation in an aggregate amount of \$468,000 over a 15 year period following his death, disability or other termination of employment. This deferred compensation may be forfeited in the event Synovus terminates his employment for cause, he violates a two year covenant not to compete, or in the event of his death by suicide. Mr. Blanchard received deferred compensation payments of \$7,800 for 2006 under his Employment Agreement, which amount is reflected in the All Other Compensation column in the Summary Compensation Table.

**OPTION EXERCISES AND STOCK VESTED
for the Year Ended December 31, 2006**

The following table sets forth the number and corresponding value realized during 2006 with respect to stock options that were exercised and restricted shares that vested for each named executive officer.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Richard E. Anthony	150	\$ 4,025	852	\$ 22,595
Thomas J. Prescott	150	3,972	12,677	338,729
James H. Blanchard	27,183	785,176		
	150	4,025		

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G. Sanders Griffith, III	150	4,140		
Elizabeth R. James				
Frederick L. Green, III	150	4,097	5,220	140,575

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**NONQUALIFIED DEFERRED COMPENSATION
for the Year Ended December 31, 2006**

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$) (1)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (\$)
Richard E. Anthony		\$ 141,458	\$ 53,495		\$ 413,252
Thomas J. Prescott		52,890	43,078		388,224
James H. Blanchard		201,630	86,437		759,097
G. Sanders Griffith, III		68,235	9,064		205,840
Elizabeth R. James		57,300	24,544		298,282
Frederick L. Green, III		57,525	35,174		329,283

(1) The amount reported in this column is reported in the Summary Compensation Table for 2006 as All Other Compensation.

The Deferred Plan replaces benefits lost by executives under the qualified retirement plans due to IRS limits. Executives are also permitted to defer all or a portion of their base salary or short-term incentive award, although no named executive officers did so for the last fiscal year. Amounts deferred under the Deferred Plan are deposited into a rabbi trust, and executives are permitted to invest their accounts in mutual funds that are generally the same as the mutual funds available in the qualified 401(k) plan. Deferred Plan participants may elect to withdraw their accounts as of a specified date or upon their termination of employment. Distributions can be made in a single lump sum or in annual installments over a 2-10 year period, as elected by the executive.

**CERTAIN RELATIONSHIPS AND
RELATED TRANSACTIONS**

Related Party Transaction Policy

Synovus Board of Directors has adopted a written policy for the review, approval or ratification of certain transactions with related parties of Synovus, which policy is administered by the Corporate Governance and Nominating Committee. Transactions that are covered under the policy include any transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships, in which: (1) the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year, (2) Synovus is a participant, and (3) any related party of Synovus (such as an executive officer, director, nominee for election as a director or greater than 5% beneficial owner of Synovus stock, or their immediate family members) has or will have a direct or indirect interest.

Among other factors considered by the Committee when reviewing the material facts of related party transactions, the Committee must take into account whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction. Certain categories of transactions have standing pre-approval under the policy, including the following:

the employment of non-executive officers who are immediate family members of a related party of Synovus so long as the annual compensation received by this person does not exceed \$250,000, which employment is reviewed by the Committee at its next regularly scheduled meeting;

certain limited charitable contributions by Synovus, which transactions are reviewed by the Committee at its next regularly scheduled meeting; and

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transactions between Synovus and TSYS, as these transactions are, in general, required by banking laws to be on substantially the same terms as those prevailing at the time for comparable transactions with non-related parties.

The policy does not apply to certain categories of transactions, including the following:

certain lending transactions between related parties and Synovus and any of its banking and brokerage subsidiaries;

certain other financial services provided by Synovus or any of its subsidiaries to related parties, including retail brokerage, deposit relationships, investment banking and other financial advisory services;

transactions subject to the TSYS Related Party Transaction Policy; and

transactions which occurred, or in the case of ongoing transactions, transactions which began, prior to the date of the adoption of the policy by the Synovus Board.

Related Party Transactions

During 2006, Synovus executive officers and directors (including their immediate family members and organizations with which they are affiliated) were also customers. In management's opinion, the lending relationships with these directors and officers were made in the ordinary course of business and on substantially the same terms, including interest rates, collateral and repayment terms, as those prevailing at the time for comparable transactions with other customers and do not involve more than normal collection risk or present other unfavorable features. In addition to these lending relationships, some directors and their affiliated organizations provide services or otherwise do business with Synovus and its subsidiaries, and we in turn provide services, including retail brokerage and other financial services, or otherwise do business with the directors and their organizations, in each case in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with other nonaffiliated persons.

On January 3, 2005, Synovus made a capital commitment of \$60 million to TTP Fund II, L.P. (TTP II), which currently represents an approximately 75.4% interest in TTP II. As of January 29, 2007, Synovus had funded approximately 22% of its capital commitment. TTP II is managed by Total Technology Partners II, LLC, its general partner. The general partner of TTP II will receive a 20% carried interest in TTP II. As direct and indirect owners of carried interest units in the TTP II general partner, Synovus and Gardiner W. Garrard, III, the son of Gardiner W. Garrard, Jr. who serves as a director of Synovus and TSYS, will be entitled to receive approximately 15% and 42.5%, respectively, of any carried interest distributions made by TTP II to its general partner.

Synovus has made a capital commitment of \$30 million to TTP Fund, L.P. (TTP I), a predecessor fund to TTP II. This capital commitment currently represents an approximately 79.8% interest in TTP I. As of January 29, 2007, Synovus had funded approximately 93.5% of its capital commitment. Synovus will receive a 5% carried interest in TTP I. TTP I is managed by Total Technology Partners, LLC, its general partner, which will receive a 15% carried interest in TTP I. Gardiner W. Garrard, III is entitled to receive 47.4% of any carried interest received by the general partner through his ownership interest in the general partner.

The general partner of each of the funds has entered into an agreement with Total Technology Ventures, LLC (TTV) pursuant to which TTV will provide investment management administrative services to each such general partner. Synovus and Gardiner W. Garrard, III hold percentage interests in TTV of 60% and 20%, respectively, and have

capital commitments of \$1,200,000, and \$400,000, respectively, of which 75% have been funded. Synovus serves as the manager of TTV. Gardiner W. Garrard, III and an unrelated member of TTV share responsibility for the day-to-day operations of TTV. The fee payable quarterly by each general partner to TTV for the services provided equals the management fee received quarterly by such general partner

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from the fund it manages, subject to certain adjustments and reductions. The management fee payable to TTV by the general partner of TTP I and TTP II for such services during 2006 was \$845,800, and \$1,745,339, respectively. For his role as President and Chief Executive Officer of TTV and managing member of each general partner, Gardiner W. Garrard, III received \$250,000 in compensation during 2006.

During 2006, Synovus and its wholly owned subsidiaries and TSYS paid the Sea Island Company \$88,921 and \$125,708, respectively, for various hospitality services. Alfred W. Jones III, a director of Synovus and TSYS, is an officer, director and shareholder of the Sea Island Company. James H. Blanchard, a director of Synovus and Chairman of the Executive Committee of TSYS, is a director of the Sea Island Company. The charges for these services are comparable to charges to similarly situated unrelated third parties for similar services at similar facilities.

Synovus leased various properties in Columbus, Georgia from W.C. Bradley Co. for office space and storage during 2006. The rent paid for the space was \$1,340,754. During 2006, TSYS leased office space in Columbus, Georgia from W.C. Bradley Co. for lease payments of \$767,732. Also during 2006, W.C. Bradley Co. paid a subsidiary of TSYS \$1,475,252 for various printing services. In addition, Synovus purchased a parcel of real property in Columbus, Georgia from a subsidiary of W.C. Bradley Co. during 2006 for \$2,272,750. The terms of the lease agreements and the real estate purchase agreement, and the charges for printing services are comparable to those provided for between similarly situated unrelated third parties in similar transactions.

CB&T and W.C.B. Air L.L.C. are parties to a Joint Ownership Agreement pursuant to which they jointly own or lease aircraft. W. C. Bradley Co. owns all of the limited liability company interests of W.C.B. Air. CB&T and W.C.B. Air have each agreed to pay fixed fees for each hour they fly the aircraft owned and/or leased pursuant to the Joint Ownership Agreement. CB&T paid an aggregate sum of \$4,578,654 for use of the aircraft during 2006 pursuant to the terms of the Joint Ownership Agreement. This amount represents the charges incurred by CB&T and its affiliated corporations for use of the aircraft, and includes \$2,745,709 for TSYS use of the aircraft, for which CB&T was reimbursed by TSYS. James H. Blanchard, a director of Synovus and Chairman of the Executive Committee of TSYS, is a director of W.C. Bradley Co. James D. Yancey, Chairman of the Board of CB&T and a director of Synovus and TSYS, is a director of W.C. Bradley Co. William B. Turner, Jr., Vice Chairman of the Board and President of W.C. Bradley Co., is a director of Synovus and CB&T. John T. Turner, William B. Turner, Jr.'s brother, is a director of W.C. Bradley Co. and a director of TSYS and CB&T. The payments to W.C. Bradley Co. by Synovus and its subsidiaries and the payments to Synovus and its subsidiaries by W.C. Bradley Co. represent less than 2% of W.C. Bradley Co.'s 2006 gross revenues.

During 2006, a banking subsidiary of Synovus leased office space in Daniel Island, South Carolina from DIBS Holdings, LLC for \$170,203. Frank W. Brumley, a director of Synovus, is managing member of and holds a 30% equity interest in DIBS Holdings, LLC. The terms of the lease agreement are comparable to those provided for between similarly situated unrelated third parties in similar transactions.

During 2006, Synovus and its wholly owned subsidiaries and TSYS paid to Communicorp, Inc. \$372,981 and \$760,610, respectively, for printing, marketing and promotional services, which payments are comparable to payments between similarly situated unrelated third parties for similar services. Communicorp is a wholly owned subsidiary of Aflac Incorporated. Also during 2006, TSYS repurchased 820,800 of its shares from Aflac in a privately negotiated transaction for \$16,416,000, which amount represented the fair market value of the TSYS stock on the date of the transaction. Daniel P. Amos, a director of Synovus, is Chief Executive Officer and a director of Aflac. The payments to Aflac and Communicorp by Synovus and its subsidiaries, including TSYS, represent less than .12% of Aflac's 2006 gross revenues.

William Russell Blanchard, a son of director James H. Blanchard, was employed by a subsidiary of Synovus as a retail banking executive during 2006. William Russell Blanchard received \$157,923 in compensation during 2006.

William Fray McCormick, the son-in-law of

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director Richard Y. Bradley, was employed by a subsidiary of Synovus as a trust officer during 2006. Mr. McCormick received \$122,392 in compensation for his services during the year. Roderick Cowan Hunter, the son-in-law of director James D. Yancey, was employed by a subsidiary of Synovus as a director of sales and marketing during 2006. Mr. Hunter received \$143,181 in compensation during 2006. The compensation received by the employees listed above is determined under the standard compensation practices of Synovus.

With the exception of the purchase by Synovus of a parcel of real property from a subsidiary of W.C. Bradley Co. and the repurchase by TSYS of shares of its stock from Aflac, none of the transactions described above required review, approval or ratification under Synovus Related Party Transaction Policy as they occurred or began prior to the adoption of the policy by the Synovus Board. The repurchase by TSYS of shares of its stock from Aflac did not require review, approval or ratification under Synovus Related Party Transaction Policy as it is subject to TSYS Related Party Transaction Policy and was approved by TSYS Corporate Governance and Nominating Committee. The purchase of real property from a subsidiary of W.C. Bradley Co. was approved pursuant to Synovus Related Party Transaction Policy.

Other Information About Board Independence

In addition to the information set forth under the caption Related Party Transactions above, the Board also considered the following relationships in evaluating the independence of Synovus independent directors and determined that none of the relationships constitute a material relationship with Synovus:

Synovus provided lending and/or other financial services to each of Messrs. Amos, Bradley, Brumley, Floyd (who retired as a director in 2006), Goodrich, Hansford, Illges (who retired as a director during 2006), Lampton, Page, Purcell, Stith and Turner and Ms. Camp and Ms. Ogie, their immediate family members and/or their affiliated organizations during 2006 in the ordinary course of business and on substantially the same terms as those available to unrelated parties. These relationships meet the Board's categorical standards for independence;

Two immediate family members of Mr. Turner were compensated as non-executive employees of Synovus during 2006, which employment was in accordance with the Board's categorical standards for independence; and

Entities affiliated with Mr. Amos made minimal payments to or received payments from Synovus and/or TSYS for services in the ordinary course of business during 2006, which payments did not approach the 2% of consolidated gross revenues threshold set forth in the Board's categorical standards for independence.

PRINCIPAL SHAREHOLDERS

The following table sets forth the number of shares of Synovus stock held by the only known holders of more than 5% of the outstanding shares of Synovus stock as of December 31, 2006.

Name and Address of Beneficial	Shares of Synovus Stock Beneficially Owned as of	Percentage of Outstanding Shares of Synovus Stock Beneficially Owned as
-----------------------------------	---	---

Owner	12/31/06	of 12/31/06
Synovus Trust Company, N.A.(1) 1148 Broadway Columbus, Georgia 31901	49,796,475(2)	15.3%

- (1) The shares of Synovus stock held by Synovus Trust Company are voted by the President of Synovus Trust Company.
- (2) As of December 31, 2006, the banking, brokerage, investment advisory and trust company subsidiaries of Synovus, including CB&T through its wholly owned subsidiary, Synovus Trust Company, held in various fiduciary or advisory capacities a total of 49,810,282 shares of Synovus stock as to which they possessed sole or shared voting or

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investment power. Of this total, Synovus Trust Company held 41,053,179 shares as to which it possessed sole voting power, 46,208,985 shares as to which it possessed sole investment power, 420,093 shares as to which it possessed shared voting power and 2,928,404 shares as to which it possessed shared investment power. The other banking, brokerage, investment advisory and trust subsidiaries of Synovus held 13,807 shares as to which they possessed shared investment power. Synovus and its subsidiaries disclaim beneficial ownership of all shares of Synovus stock which are held by them in various fiduciary, advisory, non-advisory or agency capacities.

**RELATIONSHIPS BETWEEN SYNOVUS, CB&T, TSYS AND
CERTAIN OF SYNOVUS SUBSIDIARIES
AND AFFILIATES**

Beneficial Ownership of TSYS Stock by CB&T

The following table sets forth the number of shares of TSYS stock beneficially owned by CB&T, the only known beneficial owner of more than 5% of the issued and outstanding shares of TSYS stock, as of December 31, 2006.

Name and Address of Beneficial Owner	Shares of TSYS Stock Beneficially Owned as of 12/31/06	Percentage of Outstanding Shares of TSYS Stock Beneficially Owned as of 12/31/06
Columbus Bank and Trust Company 1148 Broadway Columbus, Georgia 31901	159,630,980(1)(2)	81.1%

(1) CB&T individually owns these shares.

(2) As of December 31, 2006, Synovus Trust Company, N.A. and the other banking, brokerage, investment advisory and trust company subsidiaries of Synovus held in various fiduciary or advisory capacities a total of 2,616,007 shares (1.3%) of TSYS stock. Of this total, Synovus Trust Company held 2,277,713 shares as to which it possessed sole voting power, 2,301,203 shares as to which it possessed sole investment power, 235,973 shares as to which it possessed shared voting power and 285,269 shares as to which it possessed shared investment power. The other banking, brokerage, investment advisory and trust subsidiaries of Synovus held 735 shares as to which they possessed shared investment power. Synovus and its subsidiaries disclaim beneficial ownership of all shares of TSYS stock which are held by them in various fiduciary, advisory, non-advisory and agency capacities.

CB&T, by virtue of its ownership of 159,630,980 shares, or 81.1% of the outstanding shares of TSYS stock on December 31, 2006, presently controls TSYS. Synovus presently controls CB&T.

Interlocking Directorates of Synovus, CB&T and TSYS

Four of the members of Synovus Board of Directors also serve as members of the Boards of Directors of TSYS and CB&T. They are Richard E. Anthony, Richard Y. Bradley, H. Lynn Page and James D. Yancey. Frederick L. Green, III, William B. Turner, Jr. and Elizabeth C. Ogie serve as members of the Board of Directors of CB&T. James H. Blanchard, Gardiner W. Garrard, Jr., Alfred W. Jones III and Mason H. Lampton serve as members of the Board of Directors of TSYS.

Table of Contents***TSYS Stock Ownership of Directors and Management***

The following table sets forth the number of shares of TSYS stock beneficially owned by each of Synovus directors, each executive officer named in the Summary Compensation Table and all directors and executive officers as a group as of December 31, 2006.

Name	Shares of TSYS Stock	Shares of TSYS Stock	Shares of TSYS Stock Beneficially	Total Shares of TSYS Stock Beneficially Owned as of 12/31/06	Percentage of Outstanding Shares of TSYS Stock Beneficially Owned as of 12/31/06
	Beneficially Owned with Sole Voting and Investment Power as of 12/31/06	Beneficially Owned with Shared Voting and Investment Power as of 12/31/06	Owned with Sole Voting and No Investment Power as of 12/31/06		
Daniel P. Amos					
Richard E. Anthony	1,033			1,033	*
James H. Blanchard	668,961	360,480		1,029,441	1
Richard Y. Bradley	24,866	5,000	1,000	30,866	*
Frank W. Brumley	10,000			10,000	*
Elizabeth W. Camp					
Gardiner W. Garrard, Jr.	24,008		1,000	25,008	*
T. Michael Goodrich					
Frederick L. Green, III		154		154	*
G. Sanders Griffith, III	2,688		16,734	19,422	*
V. Nathaniel Hansford	1,613			1,613	*
Elizabeth R. James	17,543			17,543	*
Alfred W. Jones III	7,919		1,000	8,919	*
Mason H. Lampton	74,399(1)	30,614	1,000	106,013	*
Elizabeth C. Ogie	7,200	44,881		52,081	*
H. Lynn Page	281,078	120,996	1,000	403,074	*
Thomas J. Prescott	1,200			1,200	*
J. Neal Purcell	2,000			2,000	*
Melvin T. Stith					
William B. Turner, Jr.		576,000		576,000	*
James D. Yancey	568,751	42,730	1,000	612,481	*
Directors and Executive Officers as a Group (24 persons)	1,694,224	1,180,855	22,734	2,897,813	1.5

* Less than one percent of the outstanding shares of TSYS stock.

(1) Includes 50,000 shares of TSYS stock that were pledged as of December 31, 2006.

Transactions and Agreements Between Synovus, CB&T, TSYS and Certain of Synovus Subsidiaries

The terms of the transactions set forth below are comparable to those provided for between similarly situated unrelated third parties in similar transactions.

During 2006, CB&T and certain of Synovus other banking subsidiaries received electronic payment processing services from TSYS. During 2006, TSYS derived \$5,084,399 in revenues from CB&T and certain of Synovus other banking subsidiaries for the performance of electronic

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payment processing services and \$6,537,385 in revenues from Synovus and its subsidiaries for the performance of other data processing, software and business process management services.

TSYS and Synovus are parties to Lease Agreements pursuant to which Synovus leased from TSYS office space for lease payments aggregating \$1,061,840 during 2006.

Synovus and TSYS are parties to Management Agreements pursuant to which Synovus provides certain management services to TSYS. During 2006, these services included human resource services, maintenance services, security services, communication services, corporate education services, travel services, investor relations services, corporate governance services, legal services, regulatory and statutory compliance services, executive management services performed on behalf of TSYS by certain of Synovus officers and financial services. As compensation for management services provided during 2006, TSYS paid Synovus aggregate management fees of \$8,892,681. Management fees are subject to future adjustments based upon charges at the time by unrelated third parties for comparable services.

During 2006, Synovus Trust Company served as trustee of various employee benefit plans of TSYS. During 2006, TSYS paid Synovus Trust Company trustee's fees under these plans of \$826,249. Also during 2006, Synovus Investment Advisors, Inc., a subsidiary of Synovus, provided advisory services to various employee benefit plans of TSYS for advisory fees of \$29,972.

During 2006, CB&T paid TSYS Total Debt Management, Inc., a subsidiary of TSYS, \$541,375 for debt collection services.

During 2006, Columbus Depot Equipment Company, a wholly owned subsidiary of TSYS, and Synovus, CB&T and two of Synovus other subsidiaries were parties to Lease Agreements pursuant to which Synovus, CB&T and two of Synovus other subsidiaries leased from Columbus Depot Equipment Company computer related equipment for bankcard and bank data processing services for lease payments aggregating \$9,380.

During 2006, Synovus and CB&T paid TSYS an aggregate of \$1,823,624 for miscellaneous reimbursable items, such as data links, network services and postage, primarily related to processing services provided by TSYS.

During 2006, Synovus, CB&T and other Synovus subsidiaries paid to Columbus Productions, Inc., a wholly owned subsidiary of TSYS, \$676,323 for printing services.

During 2006, CB&T leased office space from TSYS for lease payments of \$39,405. In addition, TSYS leased furniture and equipment from CB&T during 2006 for lease payments of \$101,592. Also during 2006, TSYS and its subsidiaries were paid \$7,540,080 of interest by CB&T and certain of Synovus other banking subsidiaries in connection with deposit accounts with, and commercial paper purchased from, CB&T and certain of Synovus other banking subsidiaries. Furthermore, during 2006 TSYS paid CB&T and certain of Synovus other banking subsidiaries fees of \$78,006 for the provision of other banking services.

TSYS has entered into an agreement with CB&T with respect to the use of aircraft owned or leased by CB&T and W.C.B. Air L.L.C. CB&T and W.C.B. Air are parties to a Joint Ownership Agreement pursuant to which they jointly own or lease aircraft. TSYS paid CB&T \$2,745,709 for its use of the aircraft during 2006.

**SECTION 16(a) BENEFICIAL OWNERSHIP
REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires Synovus officers and directors, and persons who own more than ten percent of Synovus stock, to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Securities and Exchange Commission and the New York Stock Exchange. Officers, directors and greater than ten percent shareholders are required by SEC regulations to furnish Synovus with copies of all Section 16(a) forms they file.

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To Synovus' knowledge, based solely on its review of the copies of such forms received by it, and written representations from certain reporting persons that no Forms 5 were required for those persons, Synovus believes that during the fiscal year ended December 31, 2006 all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with, except that Mr. Amos reported two transactions late on two reports, each of Messrs. Anthony, Blanchard, Goodrich, Klepchick and Turner reported one transaction late on one report and Ms. Ogie reported three transactions late on one report.

SHAREHOLDER PROPOSALS AND NOMINATIONS

In order for a shareholder proposal to be considered for inclusion in Synovus' Proxy Statement for the 2008 Annual Meeting of Shareholders, the written proposal must be received by the Corporate Secretary of Synovus at the address below. The Corporate Secretary must receive the proposal no later than November 24, 2007. The proposal will also need to comply with the SEC's regulations under Rule 14a-8 regarding the inclusion of shareholder proposals in company sponsored proxy materials. Proposals should be addressed to:

Corporate Secretary
Synovus Financial Corp.
1111 Bay Avenue, Suite 500
Columbus, Georgia 31901

For a shareholder proposal that is not intended to be included in Synovus' Proxy Statement, or if you want to nominate a person for election as a director, you must provide written notice to the Corporate Secretary at the address above. The Secretary must receive this notice not earlier than December 24, 2007 and not later than February 7, 2008. The notice of a proposed item of business must provide information as required in the bylaws of Synovus which, in general, require that the notice include for each matter a brief description of the matter to be brought before the meeting; the reason for bringing the matter before the meeting; your name, address, and number of shares you own; and any material interest you have in the proposal.

The notice of a proposed director nomination must provide information as required in the bylaws of Synovus which, in general, require that the notice of a director nomination include your name, address and the number of shares you own; the name, age, business address, residence address and principal occupation of the nominee; and the number of shares beneficially owned by the nominee. It must also include the information that would be required to be disclosed in the solicitation of proxies for the election of a director under federal securities laws. You must submit the nominee's consent to be elected and to serve. A copy of the bylaw requirements will be provided upon request to the Corporate Secretary at the address above.

GENERAL INFORMATION

Financial Information

A copy of Synovus' 2006 Form 10-K will be furnished, without charge, by writing to the Corporate Secretary, Synovus Financial Corp., 1111 Bay Avenue, Suite 500, Columbus, Georgia 31901. The Form 10-K is also available on Synovus' home page on the Internet at www.synovus.com. Click on Investor Relations, Financial Reports and SEC Filings.

Solicitation of Proxies

Synovus will pay the cost of soliciting proxies. Proxies may be solicited on behalf of Synovus by directors, officers or employees by mail, in person or by telephone, facsimile or other electronic means. Synovus will reimburse brokerage firms, nominees, custodians, and fiduciaries for their out-of-pocket expenses for forwarding proxy materials to beneficial owners.

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Householding

The Securities and Exchange Commission's proxy rules permit companies and intermediaries, such as brokers and banks, to satisfy delivery requirements for proxy statements with respect to two or more shareholders sharing the same address by delivering a single proxy statement to those shareholders. This method of delivery, often referred to as householding, should reduce the amount of duplicate information that shareholders receive and lower printing and mailing costs for companies. Synovus is not householding proxy materials for its shareholders of record in connection with its 2007 Annual Meeting. However, we have been notified that certain intermediaries will household proxy materials. If you hold your shares of Synovus stock through a broker or bank that has determined to household proxy materials:

Only one Annual Report and Proxy Statement will be delivered to multiple shareholders sharing an address unless you notify your broker or bank to the contrary;

You can contact Synovus by calling (706) 649-5220 or by writing Director of Investor Relations, Synovus Financial Corp., P.O. Box 120, Columbus, Georgia 31902 to request a separate copy of the Annual Report and Proxy Statement for the 2007 Annual Meeting and for future meetings or you can contact your bank or broker to make a similar request; and

You can request delivery of a single copy of Annual Reports or Proxy Statements from your bank or broker if you share the same address as another Synovus shareholder and your bank or broker has determined to household proxy materials.

The above Notice of Annual Meeting and Proxy Statement are sent by order of the Synovus Board of Directors.

Richard E. Anthony
Chairman of the Board and
Chief Executive Officer

March 23, 2007

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APPENDIX A

**SYNOVUS FINANCIAL CORP.
DIRECTOR INDEPENDENCE STANDARDS**

The following independence standards have been approved by the Board of Directors and are included within Synovus Corporate Governance Guidelines.

A majority of the Board of Directors will be independent directors who meet the criteria for independence required by the NYSE. The Corporate Governance and Nominating Committee will make recommendations to the Board annually as to the independence of directors as defined by the NYSE. To be considered independent under the NYSE Listing Standards, the Board must determine that a director does not have any direct or indirect material relationship with the Company. The Board has established the following standards to assist it in determining director independence. A director is not independent if:

The director is, or has been within the last three years, an employee of the Company or an immediate family member is, or has been within the last three years, an executive officer of the Company.

The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service). (Compensation received by an immediate family member for service as an employee of the Company (other than an executive officer) is not taken into consideration under this independence standard).

(A) The director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; (B) the director is a current employee of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time.

The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.

The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

The following relationships will not be considered to be material relationships that would impair a director's independence:

The director is a current employee, or an immediate family member of the director is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services (including financial services) in an amount which, in the prior fiscal year, is less than the greater of

\$1 million, or 2% of such other company's consolidated gross revenues. (In the event this threshold is exceeded, and where applicable in the standards set forth below, the three year look back period referenced above will apply to future independence determinations).

The director or an immediate family member of the director is a partner of a law firm that provides legal services to the Company and the fees paid to such law firm by the Company

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in the prior fiscal year were less than the greater of \$1 million, or 2% of the law firm's total revenues.

The director or an immediate family member of the director is an executive officer of a tax exempt organization and the Company's contributions to the organization in the prior fiscal year were less than the greater of \$1 million, or 2% of the organization's consolidated gross revenues.

The director received less than \$100,000 in direct compensation from the Company during the prior twelve month period, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

The director's immediate family member received in his or her capacity as an employee of the Company (other than as an executive officer of the Company), less than \$250,000 in direct compensation from the Company in the prior fiscal year, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

The director or an immediate family member of the director has, directly, in his or her individual capacities, or, indirectly, in his or her capacity as the owner of an equity interest in a company of which he or she is not an employee, lending relationships, deposit relationships or other banking relationships (such as depository, trusts and estates, private banking, investment banking, investment management, custodial, securities brokerage, insurance, cash management and similar services) with the Company provided that:

1) Such relationships are in the ordinary course of business of the Company and are on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons; and

2) With respect to extensions of credit by the Company's subsidiaries:

(a) such extensions of credit have been made in compliance with applicable law, including Regulation O of the Board of Governors of the Federal Reserve, Sections 23A and 23B of the Federal Reserve Act and Section 13(k) of the Securities Exchange Act of 1934; and

(b) no event of default has occurred under the extension of credit.

For relationships not described above or otherwise not covered in the above examples, a majority of the Company's independent directors, after considering all of the relevant circumstances, may make a determination whether or not such relationship is material and whether the director may therefore be considered independent under the NYSE Listing Standards. The Company will explain the basis of any such determinations of independence in the next proxy statement.

For purposes of these independence standards an immediate family member includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.

For purposes of these independence standards Company includes any parent or subsidiary in a consolidated group with the Company.

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APPENDIX B

**SYNOVUS FINANCIAL CORP.
DIRECTOR ELECTION BY MAJORITY VOTE GUIDELINES**

The following director election by majority vote guidelines have been approved by the Board of Directors and are included within Synovus' Corporate Governance Guidelines.

In an uncontested election, any nominee for director who receives a greater number of votes withheld from his or her election than votes for such election (a Majority Withheld Vote) will promptly tender his or her resignation following certification of the shareholder vote.

The Corporate Governance and Nominating Committee will promptly consider the resignation offer and recommend to the Board whether to accept or reject it, including rejecting the resignation on the condition that the underlying cause of the withheld votes be cured. In considering whether to accept the resignation, the Corporate Governance and Nominating Committee will consider all factors deemed relevant by members of the Corporate Governance and Nominating Committee, including, without limitation, the stated reasons why shareholders withheld votes for election from such director, the length of service and qualifications of the director whose resignation has been tendered, the director's contribution to the Company and the Company's Corporate Governance Guidelines.

The Board will act on the Corporate Governance and Nominating Committee's recommendation no later than 90 days following certification of the shareholder vote. In considering the Corporate Governance and Nominating Committee's recommendation, the Board will consider the factors considered by the Corporate Governance and Nominating Committee and such additional information and factors the Board believes to be relevant.

The Company will promptly disclose the Board's decision whether to accept the director's resignation offer (providing a full explanation of the process by which the decision was reached and the reasons for rejecting the resignation offer, if applicable) in a Form 8-K filed with the Securities and Exchange Commission.

To the extent that one or more directors' resignations are accepted by the Board, the Corporate Governance and Nominating Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Any director who tenders his or her resignation pursuant to this provision will not participate in the Corporate Governance and Nominating Committee recommendation or Board action regarding whether to accept the resignation offer.

If a majority of the members of the Corporate Governance and Nominating Committee received a Majority Withheld Vote at the same election, then the independent directors who did not receive a Majority Withheld Vote will appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept or reject them. This Board committee may, but need not, consist of all of the independent directors who did not receive a Majority Withheld Vote or those independent directors who were not standing for election.

This corporate governance guideline will be summarized or included in each proxy statement relating to an election of directors of the Company.

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Consolidated Balance Sheets

(In thousands, except share data)

	December 31,	
	2006	2005
ASSETS		
Cash and due from banks, including \$41,337 and \$49,659 in 2006 and 2005, respectively, on deposit to meet Federal Reserve requirements	\$ 889,975	880,886
Interest earning deposits with banks	19,389	2,980
Federal funds sold and securities purchased under resale agreements	101,091	68,922
Trading account assets (note 3)	15,266	27,322
Mortgage loans held for sale	175,042	143,144
Investment securities available for sale (note 4)	3,352,357	2,958,320
Loans, net of unearned income (note 5)	24,654,552	21,392,347
Allowance for loan losses (note 5)	(314,459)	(289,612)
Loans, net	24,340,093	21,102,735
Premises and equipment, net	752,738	669,425
Contract acquisition costs and computer software, net (note 6)	383,899	431,849
Goodwill, net (notes 2 and 18)	669,515	458,382
Other intangible assets, net (notes 2 and 7)	63,586	44,867
Other assets (notes 7 and 17)	1,091,822	831,840
Total assets	\$ 31,854,773	27,620,672
LIABILITIES AND SHAREHOLDERS EQUITY		
Liabilities:		
Deposits:		
Non-interest bearing retail and commercial deposits	\$ 3,538,598	3,700,750
Interest bearing retail and commercial deposits (note 8)	17,741,354	14,798,845
Total retail and commercial deposits	21,279,952	18,499,595
Brokered time deposits (note 8)	3,014,495	2,284,770
Total deposits	24,294,447	20,784,365
Federal funds purchased and securities sold under repurchase agreements (note 9)	1,572,809	1,158,669
Long-term debt (note 9)	1,350,139	1,933,638
Other liabilities (note 17)	692,019	597,698
Total liabilities	27,909,414	24,474,370

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Minority interest in consolidated subsidiaries	236,709	196,973
Shareholders' equity (notes 2, 13, and 15):		
Common stock \$1.00 par value. Authorized 600,000,000 shares; issued 331,213,913 in 2006 and 318,301,275 in 2005; outstanding 325,552,375 in 2006 and 312,639,737 in 2005	331,214	318,301
Additional paid-in capital	1,033,055	686,447
Treasury stock, at cost 5,661,538 shares	(113,944)	(113,944)
Unearned compensation		(3,126)
Accumulated other comprehensive loss (note 1)	(2,129)	(29,536)
Retained earnings (note 1)	2,460,454	2,091,187
Total shareholders' equity	3,708,650	2,949,329
Commitments and contingencies (note 12)		
Total liabilities and shareholders' equity	\$ 31,854,773	27,620,672

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Income

(In thousands, except per share data)

	Years Ended December 31,		
	2006	2005	2004
Interest income:			
Loans, including fees	\$ 1,859,914	1,375,227	1,051,117
Investment securities available for sale:			
U.S. Treasury and U.S. Government agency securities	69,834	53,037	45,184
Mortgage-backed securities	52,469	40,287	38,731
State and municipal securities	9,208	10,072	10,786
Other investments	6,915	5,402	4,644
Trading account assets	2,691	642	
Mortgage loans held for sale	8,638	7,304	6,581
Federal funds sold and securities purchased under resale agreements	6,422	4,082	1,945
Interest earning deposits with banks	375	172	32
 Total interest income	 2,016,466	 1,496,225	 1,159,020
Interest expense:			
Deposits (note 8)	739,949	407,305	216,284
Federal funds purchased and securities sold under repurchase agreements	71,439	31,569	19,286
Long-term debt	71,204	88,504	62,771
 Total interest expense	 882,592	 527,378	 298,341
 Net interest income	 1,133,874	 968,847	 860,679
Provision for losses on loans (note 5)	75,148	82,532	75,319
 Net interest income after provision for losses on loans	 1,058,726	 886,315	 785,360
Non-interest income:			
Electronic payment processing services	985,868	867,914	755,267
Merchant acquiring services	260,275	237,418	26,169
Other transaction processing services	186,394	183,412	170,905
Service charges on deposit accounts	112,417	109,960	121,450
Fiduciary and asset management fees	47,800	44,886	43,001
Brokerage and investment banking income	26,729	24,487	21,748
Mortgage banking income	29,255	28,682	26,300
Bankcard fees	44,303	38,813	30,174
Securities (losses) gains, net (note 4)	(2,118)	463	75
Other fee income	38,743	34,148	29,227
Other operating income	52,201	36,016	67,157

Non-interest income before reimbursable items	1,781,867	1,606,199	1,291,473
Reimbursable items	351,719	312,280	229,538
Total non-interest income	2,133,586	1,918,479	1,521,011
Non-interest expense:			
Salaries and other personnel expense (notes 14 and 15)	974,515	836,371	731,579
Net occupancy and equipment expense (note 12)	414,169	368,210	321,689
Other operating expenses (note 20)	430,274	426,530	305,560
Non-interest expense before reimbursable items	1,818,958	1,631,111	1,358,828
Reimbursable items	351,719	312,280	229,538
Total non-interest expense	2,170,677	1,943,391	1,588,366
Minority interest in subsidiaries net income	48,102	37,381	28,724
Income before income taxes	973,533	824,022	689,281
Income tax expense (note 17)	356,616	307,576	252,248
Net income	\$ 616,917	516,446	437,033
Net income per share (notes 11 and 15):			
Basic	\$ 1.92	1.66	1.42
Diluted	1.90	1.64	1.41
Weighted average shares outstanding (note 11):			
Basic	321,241	311,495	307,262
Diluted	324,232	314,815	310,330

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income

(In thousands,
except per share
data)

Years ended December 31, 2006, 2005, and 2004	Shares Issued	Common Stock	Additional Paid-In Capital	Treasury Stock	Unearned Compensation	Accumulated	Retained Earnings	Total
						Other Comprehensive Income (Loss)		
Balance at December 31, 2003	307,748	\$ 307,748	442,931	(113,940)	(266)	29,509	1,579,057	2,245,039
Net income							437,033	437,033
Other comprehensive loss, net of tax (note 10):								
Net unrealized loss on cash flow hedges						(5,753)		(5,753)
Change in unrealized gains/losses on investment securities available for sale, net of reclassification adjustment						(20,577)		(20,577)
Gain on foreign currency translation						5,724		5,724
Other comprehensive loss						(20,606)		(20,606)
Comprehensive income								416,427
Issuance of common stock for acquisitions (note 2)	5,478	5,478	151,700					157,178
Cash dividends declared - \$.69 per							(213,686)	(213,686)

share								
Amortization of unearned compensation (note 15)						160		160
Stock options exercised (note 15)	2,405	2,405	21,060					23,465
Stock option tax benefit			12,705					12,705
Ownership change at majority-owned subsidiary			5					5
Treasury stock purchase						(4)		(4)
Issuance of common stock under commitment to charitable foundation	5	5	(5)					
Balance at December 31, 2004	315,636	315,636	628,396	(113,944)	(106)	8,903	1,802,404	2,641,289
Net income							516,446	516,446
Other comprehensive loss, net of tax (note 10):								
Net unrealized loss on cash flow hedges						(2,240)		(2,240)
Change in unrealized gains/losses on investment securities available for sale, net of reclassification adjustment						(28,354)		(28,354)
Loss on foreign currency translation						(7,845)		(7,845)
Other comprehensive loss						(38,439)		(38,439)
Comprehensive income								478,007
Cash dividends declared - \$.73 per share							(227,663)	(227,663)

Issuance of restricted stock (note 15)	146	146	3,807	(3,953)				
Amortization of unearned compensation (note 15)					933			933
Stock options exercised (note 15)	2,506	2,506	40,619					43,125
Stock option tax benefit			9,505					9,505
Ownership change at majority-owned subsidiary			3,907					3,907
Issuance of common stock for acquisitions (note 2)	8	8	218					226
Issuance of common stock under commitment to charitable foundation	5	5	(5)					
Balance at December 31, 2005	318,301	318,301	686,447	(113,944)	(3,126)	(29,536)	2,091,187	2,949,329
SAB No. 108 adjustment to opening shareholders equity (note 1)						826	3,434	4,260
Postretirement unfunded health benefit obligation from adoption of SFAS No. 158, net of tax (note 1)						(3,212)		(3,212)
Net Income							616,917	616,917
Other comprehensive income, net of tax (note 10):								
Net unrealized gain on cash flow hedges						3,650		3,650
Change in unrealized gains/losses on investment securities						13,268		13,268

available for sale, net of reclassification adjustment								
Gain on foreign currency translation						12,875		12,875
Other comprehensive income						29,793		29,793
Comprehensive income								646,710
Cash dividends declared - \$.78 per share							(251,084)	(251,084)
Reclassification of unearned compensation to additional paid-in capital upon adoption of SFAS No. 123(R)				(3,126)		3,126		
Issuance of restricted stock (note 15)	610	610		(610)				
Share-based compensation expense (note 15)				23,373				23,373
Stock options exercised (note 15)	3,459	3,459		62,051				65,510
Stock option tax benefit				11,390				11,390
Ownership change at majority-owned subsidiary				6,031				6,031
Issuance of common stock for acquisitions (note 2)	8,844	8,844		247,499				256,343
Balance at December 31, 2006	331,214	\$ 331,214	1,033,055	(113,944)		(2,129)	2,460,454	3,708,650

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Cash Flows

(In thousands)

	Years Ended December 31,		
	2006	2005	2004
Operating Activities			
Net income	\$ 616,917	516,446	437,033
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for losses on loans	75,148	82,532	75,319
Depreciation, amortization, and accretion, net	231,288	193,152	161,062
Equity in income of equity investments	(14,726)	(6,135)	(23,736)
Deferred income tax (benefit) expense	(44,970)	(53,575)	22,401
Increase in interest receivable	(84,457)	(40,853)	(16,495)
Increase in interest payable	74,422	23,363	3,007
Minority interest in subsidiaries net income	48,102	37,381	28,724
Decrease (increase) in trading account assets	12,056	(27,322)	
Originations of mortgage loans held for sale	(1,550,099)	(1,414,357)	(1,398,334)
Proceeds from sales of mortgage loans held for sale	1,518,554	1,391,378	1,410,725
Increase in prepaid and other assets	(150,668)	(80,982)	(36,700)
Increase in accrued salaries and benefits	6,781	37,953	36,000
Increase (decrease) in other liabilities	(3,741)	(26,422)	166,375
Decrease in billings in excess of costs and profits on uncompleted contracts			(17,573)
Net (gains) losses on sales of available for sale investment securities	(2,118)	463	75
Gain on sale of loans	(1,975)		
Gain on sale of other assets	(5,436)		
Gain on sale of banking locations			(15,849)
Share-based compensation	27,163	1,999	55
Impairment of developed software		3,619	10,059
Other, net	27,455	(18,924)	(45,870)
Net cash provided by operating activities	779,696	619,716	796,278
Investing Activities			
Net cash paid for acquisitions	(53,664)	(56,995)	(37,172)
Net (increase) decrease in interest earning deposits with banks	(16,409)	1,173	70
Net (increase) decrease in federal funds sold and securities purchased under resale agreements	(27,387)	66,549	34,456
Proceeds from maturities and principal collections of investment securities available for sale	676,492	660,085	1,351,436
Proceeds from sales of investment securities available for sale	130,457	50,048	33,332
Purchases of investment securities available for sale	(1,051,733)	(1,019,585)	(1,491,355)
Net cash received on sale of banking locations			25,069

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Proceeds from sale of commercial loans	32,813		
Net increase in loans	(2,498,467)	(1,990,774)	(2,598,559)
Purchases of premises and equipment	(140,143)	(106,674)	(111,396)
Proceeds from disposals of premises and equipment	1,201	1,708	3,061
Proceeds from sale of other assets	5,632		
Additions to other intangible assets	(6,446)		
Contract acquisition costs	(42,452)	(19,468)	(29,150)
Additions to licensed computer software from vendors	(11,858)	(12,875)	(57,302)
Additions to internally developed computer software	(13,973)	(22,602)	(5,224)
Net cash used in investing activities	(3,015,937)	(2,449,410)	(2,882,734)

Financing Activities

Net increase in demand and savings deposits	948,033	1,354,258	1,388,914
Net increase in certificates of deposit	1,738,743	852,639	803,208
Net increase (decrease) in federal funds purchased and securities sold under repurchase agreements	361,401	(49,411)	(192,229)
Principal repayments on long-term debt	(760,937)	(617,177)	(399,690)
Proceeds from issuance of long-term debt	127,203	672,666	655,727
Treasury stock purchased			(4)
Excess tax benefit from share-based payment arrangements	10,460		
Dividends paid to shareholders	(244,654)	(224,303)	(209,883)
Proceeds from issuance of common stock	65,510	43,125	23,465
Net cash provided by financing activities	2,245,759	2,031,797	2,069,508
Effect of exchange rate changes on cash and cash equivalent balances held in foreign currencies	(429)	(4,252)	3,953
Increase (decrease) in cash and cash equivalents	9,089	197,851	(12,995)
Cash and due from banks at beginning of year	880,886	683,035	696,030
Cash and due from banks at end of year	\$ 889,975	880,886	683,035

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies**Business Operations**

The consolidated financial statements of Synovus include the accounts of Synovus Financial Corp. (Parent Company) and its consolidated subsidiaries. Synovus provides integrated financial services including banking, financial management, insurance, mortgage, and leasing services through 40 wholly-owned affiliate banks and other Synovus offices in Georgia, Alabama, South Carolina, Florida, and Tennessee. TSYS, an 81% owned subsidiary, provides electronic payment processing and related services to financial and non-financial institutions located throughout the United States and internationally. TSYS offers merchant acquiring services to financial institutions and other organizations in the United States through its wholly owned subsidiary, TSYS Acquiring Services, L.L.C. (TSYS Acquiring), and in Japan through its majority owned subsidiary, GP Network Corporation (GP Net).

Basis of Presentation

In preparing the consolidated financial statements in accordance with U.S. generally accepted accounting principles, 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 balance sheet and the reported amounts of revenues and expenses for the period. 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 long-lived assets, goodwill, and other intangible assets; the determination of transaction processing provisions; and the disclosures for contingent assets and liabilities. In connection with the determination of the allowance for loan losses and the valuation of other real estate, management obtains independent appraisals for significant properties and properties collateralizing impaired loans.

The accounting and reporting policies of Synovus conform to U.S. generally accepted accounting principles and to general practices within the banking, electronic payment, and merchant acquiring industries. All significant intercompany accounts and transactions have been eliminated in consolidation. The following is a description of the more significant of those policies.

Cash Flow Information

Cash and due from banks includes cash and all amounts due from banks with original maturities less than 90 days. For the years ended December 31, 2006, 2005, and 2004, income taxes of \$391.4 million, \$323.0 million, and \$190.9 million, and interest of \$806.4 million, \$505.7 million, and \$298.1 million, respectively, were paid.

Loans receivable of approximately \$33 million, \$20 million, and \$11 million were transferred to other real estate during 2006, 2005, and 2004, respectively.

Federal Funds Sold, Federal Funds Purchased, Securities Purchased Under Resale Agreements, and Securities Sold Under Repurchase Agreements

Federal funds sold, federal funds purchased, securities purchased under resale agreements, and securities sold under repurchase agreements generally mature in one day.

Trading Account Assets

Trading account assets, which include both debt and equity securities, are reported at fair value. Fair value adjustments and fees from trading account activities are included as a component of other fee income. Gains and losses realized from the sale of trading account assets are determined by specific identification and are included as a component of other fee income. Interest income on trading assets is reported as a component of interest income.

Mortgage Loans Held for Sale

Mortgage loans held for sale are carried at the lower of aggregate cost or fair value. Fair value is based on forward sales commitments, which qualify for hedge accounting, and are carried at cost when used to hedge the loans. Otherwise, fair values are based upon quoted prices from secondary market investors. No valuation allowances were required at December 31, 2006 or 2005.

The cost of mortgage loans held for sale is the mortgage note amount less discounts and unearned fees.

Investment Securities Available for Sale

Available for sale securities are recorded at fair value. Fair value is determined at a specific point in time, based on quoted market prices. Unrealized gains and losses on securities available for sale, net of the related tax effect, are excluded from earnings and are reported as a separate component of shareholders' equity, within accumulated other comprehensive income (loss), until realized.

A decline in the fair market value of any available for sale security below cost that is deemed other than temporary results in a charge to earnings and the establishment of a new cost basis for the security.

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Notes to Consolidated Financial Statements

Premiums and discounts are amortized or accreted over the life of the related security as an adjustment to the yield using the effective interest method and prepayment assumptions. Dividend and interest income are recognized when earned. Realized gains and losses for securities classified as available for sale are included in earnings and are derived using the specific identification method for determining the amortized cost of securities sold.

Gains and losses on sales of investment securities are recognized on the settlement date, based on the amortized cost of the specific security. The financial statement impact of settlement date accounting versus trade date accounting is inconsequential.

Loans and Interest Income

Loans are reported at principal amounts outstanding less unearned income, net deferred fees and expenses, and the allowance for loan losses.

Interest income on consumer loans, made on a discount basis, is recognized in a manner which approximates the level yield method. Interest income on substantially all other loans is recognized on a level yield basis.

Loans on which the accrual of interest has been discontinued are designated as nonaccrual loans. Accrual of interest on loans is discontinued when reasonable doubt exists as to the full collection of interest or principal, or when they become contractually in default for 90 days or more as to either interest or principal, unless they are both well-secured and in the process of collection. When a loan is placed on nonaccrual status, previously accrued and uncollected interest is charged to interest income on loans, unless management believes that the accrued interest is recoverable through the liquidation of collateral. Interest payments received on nonaccrual loans are applied as a reduction of principal. Loans are returned to accruing status when they are brought fully current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to both principal and interest. Interest is accrued on impaired loans as long as such loans do not meet the criteria for nonaccrual classification.

Allowance for Loan Losses

The allowance for loan losses is established through the provision for losses on loans charged to operations. Loans are charged against the allowance for loan losses when management believes that the collection of principal is unlikely. Subsequent recoveries are added to the allowance. Management's evaluation of the adequacy of the allowance for loan losses is based on a formal analysis which assesses the risk within the loan portfolio. This analysis includes consideration of historical performance, current economic conditions, level of nonperforming loans, loan concentrations, and review of impaired loans.

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 for loan losses may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the subsidiary banks' allowances for loan losses. Such agencies may require the subsidiary banks to recognize adjustments to the allowance for loan losses based on their judgments about information available to them at the time of their examination.

Management, considering current information and events regarding a borrower's ability to repay its obligations, considers a loan to be impaired when the ultimate collectibility of all amounts due, according to the contractual terms of the loan agreement, is in doubt. When a loan is considered to be impaired, the amount of impairment is measured based on the present value of expected future cash flows discounted at the loan's effective interest rate. If the loan is collateral-dependent, the fair value of the collateral less estimated selling costs is used to determine the amount of impairment. Impairment losses are included in the allowance for loan losses through a charge to the provision for losses on loans.

The accounting for impaired loans described above applies to all loans, except for large pools of smaller-balance, homogeneous loans that are collectively evaluated for impairment, and loans that are measured at fair value or at the lower of cost or fair value. The allowance for loan losses for loans not considered impaired and for large pools of smaller-balance, homogeneous loans is established through consideration of such factors as changes in the nature and

volume of the portfolio, overall portfolio quality, individual loan risk ratings, loan concentrations, and historical charge-off trends.

Premises and Equipment

Premises and equipment, including leasehold improvements and purchased internal-use software, are reported at cost, less accumulated depreciation and amortization which are computed using the straight-line method over the estimated useful lives of the related assets. The Company reviews long-lived assets, such as premises and equipment, for impairment whenever events and circumstances indicate that the carrying amount of an asset may not be recoverable.

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Contract Acquisition Costs

TSYS capitalizes contract acquisition costs related to signing or renewing long-term contracts. TSYS capitalizes internal conversion costs in accordance with Financial Accounting Standards Board (FASB) Technical Bulletin No. 90-1, Accounting for Separately Priced Extended Warranty and Product Maintenance Contracts. The capitalization of costs related to cash payments for rights to provide processing services is capitalized in accordance with the FASB's Emerging Issues Task Force (EITF) Issue No. 01-9 Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products), and the U.S. Securities and Exchange Commission (SEC) Staff Accounting Bulletin No. 104 (SAB No. 104), Revenue Recognition. These costs are amortized using the straight line method over the contract term beginning when the client's cardholder accounts are converted and producing revenues. All costs incurred prior to a signed agreement are expensed as incurred.

The amortization of contract acquisition costs associated with cash payments is recorded as a reduction of revenues in the consolidated statements of income. The amortization of contract acquisition costs associated with conversion activity is recorded as other operating expenses in the consolidated statements of income.

TSYS evaluates the carrying value of contract acquisition costs associated with each customer for impairment on the basis of whether these costs are fully recoverable from expected undiscounted net operating cash flows of the related contract. These costs may become impaired with the loss of a contract, the financial decline of a client, termination of conversion efforts after a contract is signed, diminished prospects for current clients, or if TSYS' actual results differ from its estimates of future cash flows. The amount of impairment is written off in the period that such a determination is made. The determination of expected undiscounted net operating cash flows requires management to make estimates.

Computer Software*Licensed Computer Software*

TSYS licenses software that is used in providing electronic payment processing, merchant acquiring and other services to clients. Licensed software is obtained through perpetual licenses and site licenses, and through agreements based on processing capacity (called MIPS agreements). Perpetual and site licenses are amortized using the straight-line method over their estimated useful lives which range from three to five years. Software licensed under MIPS agreements is amortized using a units-of-production basis over the estimated useful life of the software, generally not to exceed ten years. At each balance sheet date, TSYS evaluates impairment losses on long-lived assets used in operations in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 144,

Accounting for the Impairment or Disposal of Long-Lived Assets.

Software Development Costs

In accordance with SFAS No. 86, Computer Software to be Sold, Leased or Otherwise Marketed, software development costs are capitalized once technological feasibility of the software product has been established. Costs incurred prior to establishing technological feasibility are expensed as incurred. Technological feasibility is established when TSYS has completed a detail program design and has determined that a product can be produced to meet its design specifications, including functions, features, and technical performance requirements. Capitalization of costs ceases when the product is generally available to clients. At each balance sheet date, TSYS evaluates the unamortized capitalized costs of software development as compared to the net realizable value of the software product which is determined by expected undiscounted net operating cash flows. The amount by which the unamortized software development costs exceed the net realizable value is charged off to operations in the period that such determination is made. Software development costs are amortized using the greater of (1) the straight-line method over its estimated useful life, which ranges from three to ten years, or (2) the ratio of current revenues to total anticipated revenue over its useful life.

TSYS also develops software that is used internally. These software development costs are capitalized based upon the provisions of AICPA Statement of Position (SOP) No. 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. Internal-use software development costs are capitalized once (1) the

preliminary project stage is completed, (2) management authorizes and commits to funding a computer software project, and (3) it is probable that the project will be completed and the software will be used to perform the function intended. Costs incurred prior to meeting these qualifications are expensed as incurred. Capitalization of costs ceases when the project is substantially complete and ready for its intended use. Internal-use software development costs are amortized using an estimated useful life of three to five years.

Software development costs may become impaired in situations where development efforts are abandoned due to the viability of the planned project becoming doubtful or due to technological obsolescence of the planned software product.

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Notes to Consolidated Financial Statements

Acquisition Technology Intangibles

Acquisition technology intangibles represent software technology assets resulting from acquisitions. These assets are amortized using the straight-line method over periods not exceeding their estimated useful lives, which range from five to nine years. SFAS No. 142, *Goodwill and Other Intangible Assets* requires that intangible assets with estimated useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 144.

Transaction Processing Provisions

TSYS has recorded estimates to accrue for contract contingencies (performance penalties) and processing errors. A significant number of TSYS contracts with large clients contain service level agreements which can result in TSYS incurring performance penalties if contractually required service levels are not met. When providing for these accruals, TSYS takes into consideration such factors as the prior history of performance penalties and processing errors incurred, actual contractual penalties inherent in its contracts, progress towards milestones, and known processing errors not covered by insurance.

These accruals are included in other current liabilities in the consolidated balance sheets. Increases and decreases in transaction processing provisions are charged to other operating expenses in the consolidated statements of income, and payments or credits for performance penalties and processing errors are charged against the accrual.

Goodwill and Other Intangible Assets

Goodwill, which represents the excess of cost over the fair value of net assets acquired of purchased companies, is tested for impairment at least annually. Synovus established its annual impairment test date as June 30. To test for goodwill impairment, Synovus identifies its reporting units and determines the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. Synovus then compares the carrying value of each unit to its fair value to determine whether impairment exists. No impairment losses have been recorded as a result of Synovus annual goodwill impairment analyses during the years ended December 31, 2006, 2005, and 2004.

Identifiable intangible assets relate primarily to core deposit premiums, resulting from the valuation of core deposit intangibles acquired in business combinations or in the purchase of branch offices, customer relationships, and customer contract premiums resulting from the acquisition of investment advisory and transaction processing businesses. These identifiable intangible assets are amortized using accelerated methods over periods not exceeding the estimated average remaining life of the existing customer deposits, customer relationships, or contracts acquired. Amortization periods range from 3 to 15 years. Amortization periods for intangible assets are monitored to determine if events and circumstances require such periods to be reduced.

Goodwill and identifiable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. With the exception of goodwill, recoverability of the intangible assets is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered impaired, the amount of impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets based on the discounted expected future cash flows to be generated by the assets. Assets to be disposed of are reported at the lower of their carrying value or fair value less costs to sell.

Other Assets

Other assets include interest receivable on loans, investment securities, and other interest-bearing balances. The accounting for other significant balances included in other assets is described below.

Investments in Company-Owned Life Insurance Programs

Investments in company-owned life insurance programs are recorded at the net realizable value of the underlying insurance contracts. The change in contract value during the period is recorded as an adjustment of premiums paid in determining the expense or income to be recognized under the contract during the period. Income or expense from company-owned life insurance programs is included as a component of other operating income.

TSYS Equity Investments

TSYS has a 49% investment in Total System Services de México, S.A. de C.V. (TSYS de México), an electronic payment processing support operation located in Mexico, which is accounted for using the equity method of accounting. TSYS also has a 44.56% investment in China UnionPay Data Co., Ltd. (CUP Data), a payment processing company which is headquartered in Shanghai, China, and which is also accounted for using the equity method of accounting. Prior to March 1, 2005, TSYS owned 50% of TSYS Acquiring, which was accounted for using the equity method of accounting. On March 1, 2005, TSYS acquired the remaining 50% equity stake in TSYS Acquiring formerly held by Visa U.S.A. and began

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consolidating this wholly-owned subsidiary. TSYS Acquiring is a merchant acquiring services operation headquartered in Tempe, Arizona.

Other Real Estate

Other real estate, consisting of properties obtained through foreclosure or in satisfaction of loans, is reported at the lower of cost or fair value, determined on the basis of current appraisals, comparable sales, and other estimates of value obtained principally from independent sources, adjusted for estimated selling costs. At the time of foreclosure, any excess of the loan balance over the fair value of the real estate held as collateral is treated as a charge against the allowance for loan losses. Gains or losses on sale and any subsequent adjustments to the value are recorded as a component of other operating expenses.

Accounts Receivable

Accounts receivable balances are stated net of allowances for doubtful accounts and billing adjustments of \$11.0 million and \$12.6 million at December 31, 2006 and December 31, 2005.

TSYS records an allowance for doubtful accounts when it is probable that the accounts receivable balance will not be collected. When estimating the allowance for doubtful accounts, TSYS takes into consideration such factors as its day-to-day knowledge of the financial position of specific clients, the industry and size of its clients, the overall composition of its accounts receivable aging, prior history with specific customers of accounts receivable write-offs and prior experience of allowances in proportion to the overall receivable balance. This analysis includes an ongoing and continuous communication with its largest clients and those clients with past due balances. A financial decline of any one of TSYS large clients could have a material adverse effect on collectibility of receivables and thus the adequacy of the allowance for doubtful accounts.

Increases in the allowance for doubtful accounts are recorded as charges to bad debt expense and are reflected in other operating expenses in the consolidated statements of income. Write-offs of uncollectible accounts are charged against the allowance for doubtful accounts.

TSYS records an allowance for billing adjustments for actual and potential billing discrepancies. When estimating the allowance for billing adjustments, TSYS considers its overall history of billing adjustments, as well as its history with specific clients and known disputes. Increases in the allowance for billing adjustments are recorded as a reduction of revenues in the consolidated statements of income and actual adjustments to invoices are charged against the allowance for billing adjustments.

Derivative Instruments

Synovus risk management policies emphasize the management of interest rate risk within acceptable guidelines. Synovus objective in maintaining these policies is to achieve consistent growth in net interest income while limiting volatility arising from changes in interest rates. Risks to be managed include both fair value and cash flow risks. Utilization of derivative financial instruments provides a valuable tool to assist in the management of these risks.

In accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 138 Accounting for Certain Derivative Instruments and Hedging Activities, an Amendment of SFAS No. 133, all derivative instruments are recorded on the consolidated balance sheet at their respective fair values.

The accounting for changes in fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and if so, on the reason for holding it. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposures to changes in fair values, cash flows, or foreign currencies. If the hedged exposure is a fair value exposure, the gain or loss on the derivative instrument is recognized in earnings in the period of change, together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. If the hedged exposure is a cash flow exposure, the effective portion of the gain or loss on the derivative instrument is reported initially as a component of accumulated other comprehensive income (outside earnings), and subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness, as well as the ineffective portion of the gain or loss on the derivative instrument, are reported in earnings immediately. If the derivative instrument is

not designated as a hedge, the gain or loss on the derivative instrument is recognized in earnings in the period of change.

With the exception of commitments to fund and sell fixed-rate mortgage loans and derivatives utilized to meet the financing, interest rate and equity risk management needs of its customers, all derivatives utilized by Synovus to manage its interest rate sensitivity are designed as either a hedge of a recognized fixed-rate asset or liability (a fair value hedge), or a hedge of a forecasted transaction or of the variability of future cash flows of a floating rate asset or liability (cash flow hedge). Synovus does not speculate using derivative instruments.

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Synovus utilizes interest rate swap agreements to hedge the fair value risk of fixed-rate balance sheet liabilities, primarily deposit liabilities. Fair value risk is measured as the volatility in the value of these liabilities as interest rates change. Interest rate swaps entered into to manage this risk are designed to have the same notional value, as well as similar interest rates and interest calculation methods. These agreements entitle Synovus to receive fixed-rate interest payments and pay floating-rate interest payments based on the notional amount of the swap agreements. Swap agreements structured in this manner allow Synovus to effectively hedge the fair value risks of these fixed-rate liabilities. Ineffectiveness from fair value hedges is recognized in the consolidated statements of income as other operating income.

Synovus is potentially exposed to cash flow risk due to its holding of loans whose interest payments are based on floating rate indices. Synovus monitors changes in these exposures and their impact on its risk management activities and uses interest rate swap agreements to hedge the cash flow risk. These agreements entitle Synovus to receive fixed-rate interest payments and pay floating-rate interest payments. The maturity date of the agreement with the longest remaining term to maturity is June 16, 2011. These agreements allow Synovus to offset the variability of floating rate loan interest received with the variable interest payments paid on the interest rate swaps. The ineffectiveness from cash flow hedges is recognized in the consolidated statements of income as other operating income.

In 2005, Synovus entered into certain forward starting swap contracts to hedge the cash flow risk of certain forecasted interest payments on a forecasted debt issuance. Upon the determination to issue debt, Synovus was potentially exposed to cash flow risk due to changes in market interest rates prior to the placement of the debt. The forward starting swaps allowed Synovus to hedge this exposure. Upon placement of the debt, these swaps were cash settled concurrent with the pricing of the debt. The effective portion of the cash flow hedge previously included in accumulated other comprehensive income is being amortized over the life of the debt issue as an adjustment to interest expense.

By using derivatives to hedge fair value and cash flow risks, Synovus exposes itself to potential credit risk from the counterparty to the hedging instrument. This credit risk is normally a small percentage of the notional amount and fluctuates as interest rates change. Synovus analyzes and approves credit risk for all potential derivative counterparties prior to execution of any derivative transaction. Synovus minimizes credit risk by dealing with highly rated counterparties, and by obtaining collateralization for exposures above certain predetermined limits.

Synovus also holds derivative instruments which consist of commitments to fund fixed-rate mortgage loans to customers (interest rate lock commitments) and forward commitments to sell mortgage-backed securities and individual fixed-rate mortgage loans. Synovus' objective in obtaining the forward commitments is to mitigate the interest rate risk associated with the commitments to fund the fixed-rate mortgage loans and the mortgage loans that are held for sale. Both the interest rate lock commitments and the forward commitments are reported at fair value, with adjustments being recorded in current period earnings. Certain forward sales commitments are accounted for as hedges of mortgage loans held for sale.

Synovus also enters into derivative financial instruments to meet the financing, interest rate and equity risk management needs of its customers. Upon entering into these instruments to meet customer needs, Synovus enters into offsetting positions to minimize interest rate and equity price risk to Synovus. These derivative financial instruments are reported at fair value with any resulting gain or loss recorded in current period earnings. These instruments, and their offsetting positions, are recorded in other assets and other liabilities on the consolidated balance sheets.

Non-Interest Income*Electronic Payment Processing Services*

TSYS' electronic payment processing services revenues are derived from long-term processing contracts with financial and non-financial institutions and are generally recognized as the services are performed. Electronic payment processing services revenues are generated primarily from charges based on the number of accounts on file,

transactions and authorizations processed, statements mailed, cards embossed and mailed, and other processing services for cardholder accounts on file. Most of these contracts have prescribed annual revenue minimums. Processing contracts generally range from three to ten years in length and provide for penalties for early termination.

TSYS recognizes revenues in accordance with SAB No. 104. SAB No. 104 sets forth guidance as to when revenue is realized or realizable and earned when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been performed; (3) the seller's price to the buyer is fixed or determinable; and (4) collectibility is reasonably assured.

TSYS evaluates its contractual arrangements that provide services to clients through a bundled sales arrangement in accordance with the FASB's EITF Issue No. 00-21

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(EITF 00-21), Revenue Arrangements with Multiple Deliverables. EITF 00-21 addresses the determination of whether an arrangement involving more than one deliverable contains more than one unit of accounting and how the arrangement consideration should be measured and allocated to the separate units of accounting.

A deliverable in multiple element arrangements indicates any performance obligation on the part of the seller and includes any combination of obligations to perform different services, grant licenses or other rights. Revenue is allocated to the separate units of accounting in a multiple element arrangement based on relative fair values, provided the delivered element has standalone value to the customer, the fair value of any undelivered items can be readily determined, and delivery of any undelivered items is probable and substantially within TSYS control. Evidence of fair value must be objective and reliable. An item has value to the customer on a standalone basis if it is sold separately by any vendor or the customer could resell the deliverable on a standalone basis.

TSYS recognizes software license revenue in accordance with SOP 97-2, Software Revenue Recognition, and SOP 98-9, Modification of SOP 97-2, Software Revenue Recognition With Respect to Certain Transactions. For software licenses for which any services rendered are not considered essential to the functionality of the software, revenue is recognized upon delivery of the software, provided (1) there is evidence of an arrangement, (2) collection of the fee is considered probable, (3) the fee is fixed or determinable, and (4) vendor specific objective evidence (VSOE) exists to allocate revenue to the undelivered elements of the arrangement.

When services are considered essential to the functionality of the software licensed and VSOE exists for the undelivered elements of the arrangement, revenues are recognized over the period that such services will be performed using the percentage-of-completion method in accordance with SOP 81-1, Accounting for Performance of Construction-Type and Certain Production-Type Contracts. Progress during the period in which services are performed is measured by the percentage of costs incurred to date to estimated total costs for each arrangement as this is the best measure of progress. Provisions for estimated losses on incomplete contracts are made in the period in which such losses are determined. For license arrangements in which the fee is not considered fixed or determinable, the license revenue is recognized as payments become due.

Maintenance fees associated with license software are billed annually in advance, and the associated revenue is recognized ratably over the term of the maintenance agreement. VSOE for maintenance is measured by the renewal rate offered to the client, taking into consideration the normal pricing and discounting practices for the underlying software license. Maintenance includes license updates, product support and unspecified software product upgrades.

Merchant Acquiring Services

TSYS merchant acquiring services revenues are derived from long-term processing contracts with large financial institutions and other merchant acquirers which generally range from three to eight years and provide for penalties for early termination. Merchant acquiring services revenues are generated primarily from processing all payment forms including credit, debit, electronic benefits transfer and electronic check truncation for merchants of all sizes across a wide array of retail market segments. The products and services offered include authorization and capture of electronic transactions, clearing and settlement of electronic transactions, information reporting services related to electronic transactions, merchant billing services, and point-of-sale terminal sales and services. TSYS recognizes merchant acquiring services revenue as those services are performed, primarily on a per unit basis. Revenues on point-of-sale terminal equipment are recognized upon the transfer of ownership and shipment of product.

Other Transaction Processing Services

TSYS other transaction processing services revenues are derived from recovery collections work, bankruptcy process management, legal account management, skip tracing, commercial printing activities, targeted loyalty programs, and customer relationship management services, such as call center activities for card activation, balance transfer requests, customer service and collection. The contract terms for these services are generally shorter in nature as compared with TSYS long-term processing contracts. Revenue is recognized on these other transaction processing services as the services are performed either on a per unit or a fixed price basis.

Service Charges on Deposit Accounts

Service charges on deposit accounts consist of non-sufficient funds fees, account analysis fees, and other service charges on deposits which consist primarily of monthly account fees. Non-sufficient funds fees are recognized at the time when the account overdraft occurs. Account analysis fees consist of fees charged to certain commercial demand deposit accounts based upon account activity (and reduced by a credit which is based upon cash levels in the account). These fees, as well as monthly account fees, are recorded under the accrual method of accounting.

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Fiduciary and Asset Management Fees

Fiduciary and asset management fees are generally determined based upon market values of assets under management as of a specified date during the period. These fees are recorded under the accrual method of accounting.

Brokerage and Investment Banking Revenue

Brokerage revenue consists primarily of commission income, which represents the spread between buy and sell transactions processed, and net fees charged to customers on a transaction basis for buy and sell transactions processed. Commission income is recorded on a settlement-date basis, which does not differ materially from trade-date basis. Brokerage revenue also includes portfolio management fees which represent monthly fees charged on a contractual basis to customers for the management of their investment portfolios and are recorded under the accrual method of accounting.

Investment banking revenue represents fees for services arising from securities offerings or placements in which Synovus acts as the agent. It also includes fees earned from providing advisory services. Revenue is recognized at the time the underwriting is completed and the revenue is reasonably determinable.

Mortgage Banking Income

Mortgage banking income consists primarily of gains and losses from the sale of mortgage loans. Mortgage loans are sold servicing released, without recourse or continuing involvement and satisfy SFAS No. 140 criteria for sale accounting. Gains (losses) on the sale of mortgage loans are determined and recognized at the time the sale proceeds are received and represent the difference between net sales proceeds and the carrying value of the loans at the time of sale adjusted for recourse obligations, if any, retained by Synovus.

Bankcard Fees

Bankcard fees consist primarily of interchange and merchant fees earned, net of fees paid, on debit card and credit card transactions. Net fees are recognized into income as they are collected.

Reimbursable Items

Reimbursable items consist of out-of-pocket expenses which are reimbursed by TSYS customers. Postage is the primary component of these expenses. TSYS accounts for reimbursable items in accordance with the FASB's EITF No. 01-14 Income Statement Characterization of Reimbursements Received for Out-of-Pocket Expenses Incurred.

Foreign Currency Translation

TSYS maintains several different foreign operations whose functional currency is their local currency. The foreign currency-based financial statements of these subsidiaries and branches are translated into U.S. dollars at current exchange rates, except for revenues, costs and expenses, and net income which are translated at the average exchange rates for each reporting period. Net gains or losses resulting from the currency translation of assets and liabilities of TSYS foreign operations, net of tax, are accumulated as a component of accumulated other comprehensive income (loss).

Gains and losses on transactions denominated in currencies other than the functional currencies are included in determining net income for the period in which exchange rates change. TSYS does not currently utilize foreign exchange contracts or other derivative instruments to reduce its exposure to foreign currency rate changes.

Income Taxes

Synovus files a consolidated federal tax return with its wholly-owned and majority owned subsidiaries. Synovus accounts for income taxes in accordance with the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Reserves against the carrying value of a deferred tax asset are established when necessary to reflect the decreased likelihood of realization of a deferred asset in the future. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Income tax provisions require the use of management judgments, which are subject to challenge by various taxing authorities. Contingency reserves are periodically established where the amount of the contingency can be reasonably determined and is likely to occur. Reductions in contingency reserves are recognized when tax disputes are settled or examination periods lapse.

Significant estimates, used in accounting for income taxes relate to the determination of taxable income, the determination of temporary differences between book and tax bases, as well as estimates on the realizability of tax credits.

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Share-Based Compensation

Synovus adopted SFAS No. 123R, *Share-Based Payment*, effective January 1, 2006 and elected to use the modified prospective transition method. SFAS No. 123R is effective for all unvested awards at January 1, 2006 and for all awards granted or modified, repurchased, or cancelled after that date. This statement requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions) and recognize compensation expense over the future service period.

Prior to adoption of SFAS No. 123R, Synovus accounted for its fixed share-based compensation in accordance with the provisions set forth in Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, and related interpretations. In accordance with APB Opinion No. 25, compensation expense was recorded on the grant date only to the extent that the current market price of the underlying stock exceeded the exercise price on the grant date.

Postretirement Benefits

Synovus sponsors a defined benefit health care plan for substantially all of its employees and early retirees. The expected costs of retiree health care and other postretirement benefits are being expensed over the period that employees provide service.

Fair Value of Financial Instruments

Fair value estimates are made at a specific point in time, based on relevant market information and other information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale, at one time, the entire holdings of a particular financial instrument. Because no market exists for a portion of the financial instruments, fair value estimates are also based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on existing balance sheet financial instruments, without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. Significant assets and liabilities that are not considered financial instruments include deferred income taxes, premises and equipment, capitalized contract acquisition costs, computer software, investments in joint ventures, goodwill and other intangible assets. In addition, the income tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in any of the estimates.

Recently Issued Accounting Standards

In February 2006, the FASB issued SFAS No. 155, *Accounting for Certain Hybrid Financial Instruments*. SFAS No. 155 amends SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. SFAS No. 155 resolves issues addressed in Statement 133 Implementation Issue No. D1, *Application of Statement 133 to Beneficial Interests in Securitized Financial Assets*. SFAS No. 155 eliminates the exemption from applying SFAS No. 133 to interests in securitized financial assets so that similar instruments are accounted for similarly regardless of the form of the instruments. SFAS No. 155 also permits election of fair value measurement at acquisition, at issuance, or when a previously recognized financial instrument is subject to a re-measurement event, on an instrument-by-instrument basis. The provisions of this statement are effective for all financial instruments acquired or issued after the beginning of the entity's first fiscal year that begins after September 15, 2006. Synovus does not expect the impact of SFAS No. 155 on its financial position, results of operations or cash flows to be material.

In March 2006, the FASB issued SFAS No. 156, *Accounting for Servicing of Financial Assets*. SFAS No. 156 amends SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, with respect to the accounting for separately recognized servicing assets and servicing liabilities. SFAS No. 156 requires an entity to recognize a servicing asset or servicing liability each time it undertakes an

obligation to service a financial asset by entering into a servicing contract in certain situations and requires that all separately recognized servicing assets and servicing liabilities be initially measured at fair value, if practicable. The provisions of this statement are effective as of the beginning of the first fiscal year that begins after September 15, 2006. Synovus does not expect the impact of SFAS No. 156 on its financial position, results of operations or cash flows to be material.

In June 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with FASB Statement No. 109, Accounting for Income Taxes.

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FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

FIN 48 provides a two-step process in the evaluation of a tax position. The first step is recognition. A company determines whether it is more-likely-than-not that a tax position will be sustained upon examination, including a resolution of any related appeals or litigation processes, based upon the technical merits of the position. The second step is measurement. A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement.

FIN 48 is effective for fiscal years beginning after December 15, 2006. Synovus expects the impact of adopting FIN 48 will not be material to its financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This statement does not require any new fair value measurements, but applies under other accounting pronouncements, the Board having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. The provisions of this statement are effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Synovus does not expect the impact of SFAS No. 157 on its financial position, results of operations or cash flows to be material.

In September 2006, the FASB issued SFAS No. 158, Employers Accounting for Defined Benefit Pension and Other Postretirement Plans. SFAS No. 158 requires an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity. This statement provides different effective dates for the recognition and related disclosure provisions and for the required change to a fiscal year-end measurement date. An employer with publicly traded equity securities shall apply the requirement to recognize the funded status of a benefit plan and the disclosure requirements at the end of the first fiscal year ended after December 15, 2006, and shall apply the requirement to measure plan assets and benefit obligations as of the date of the employers fiscal year-end statement of financial position for fiscal years ending after December 15, 2008. In December, 2006, Synovus adopted the recognition provisions of SFAS No. 158, and recognized an accrued liability and an adjustment to shareholders equity of \$3.2 million, net of tax, in connection with its unfunded postretirement health benefit obligation.

In September 2006, the EITF reached a consensus on EITF Issue No. 06-4 (EITF 06-4), Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements. EITF 06-4 requires an employer to recognize a liability for future benefits based on the substantive agreement with the employee. EITF 06-4 requires a company to use the guidance prescribed in FASB Statement No. 106, Employers Accounting for Postretirement Benefits Other Than Pensions and Accounting Principles Board Opinion No. 12, Omnibus Opinion, when entering into an endorsement split-dollar life insurance agreement and recognizing the liability. EITF 06-4 is effective for fiscal periods beginning after December 15, 2007. Synovus is currently evaluating the impact of adopting EITF 06-4 on its financial position, results of operations and cash flows, but has yet to complete its assessment.

In September 2006, the EITF reached a consensus on EITF Issue No. 06-5 (EITF 06-5), Accounting for Purchases of Life Insurance Determining the Amount That Could Be Realized in Accordance with FASB Technical Bulletin No. 85-4. EITF 06-5 requires that a determination of the amount that could be realized under an insurance contract should (1) consider any additional amounts beyond cash surrender value included in the contractual terms of the policy and (2) be based on an assumed surrender at the individual policy or certificate level, unless all policies or certificates are required to be surrendered as a group. EITF 06-5 is effective for fiscal periods beginning after December 15, 2006. Synovus is currently evaluating the impact of adopting EITF 06-5 on its financial position, results of operations and cash flows, but has yet to complete its assessment.

In September 2006, the SEC issued SAB No. 108, *Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements*. In December 2006, Synovus adopted the provisions of SAB No. 108, which clarifies the way that a company should evaluate an identified unadjusted error for materiality. SAB No. 108 requires that the effect of misstatements that were not corrected at the end of the prior year be considered in quantifying misstatements in the current year financial statements. Two techniques were identified as being used by companies in practice to accumulate and quantify misstatements: the rollover approach and the iron curtain approach. The rollover approach, which is the approach that

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Synovus previously used, quantifies a misstatement based on the amount of the error originating in the current year income statement. Thus, this approach ignores the effects of correcting the portion of the current year balance sheet misstatement that originated in prior years. The iron curtain approach quantifies a misstatement based on the effects of correcting the misstatement existing in the balance sheet at the end of the current year, irrespective of the misstatement's year(s) of origination. The primary weakness of the iron curtain approach is that it does not consider the correction of prior year misstatements in the current year to be errors.

Using the rollover approach resulted in an accumulation of misstatements to Synovus' balance sheets that were deemed immaterial to Synovus' financial statements because the amounts that originated in each year were quantitatively and qualitatively immaterial. Synovus has elected, as allowed under SAB No. 108, to reflect the effect of initially applying this guidance by adjusting the carrying amount of the impacted accounts as of the beginning of 2006 and recording an offsetting adjustment to the opening balance of retained earnings in 2006. Accordingly, Synovus recorded a cumulative adjustment to increase retained earnings by \$3.4 million upon the adoption of SAB No. 108.

The following table presents a description of the individual adjustments included in the cumulative adjustment to retained earnings:

<i>(In millions)</i>	Adjustment	Nature of Error Being Corrected	Years Impacted
Brokered time deposits	\$ (10.3)	Adjusted to reflect incorrect use of hedges	2003 - 2005
Deferred income tax liability	3.8	Adjusted to reflect tax effect of incorrect use of hedges	2003 - 2005
Accumulated other comprehensive loss	(0.8)	Adjusted to reflect incorrect use of hedges	2004 - 2005
Deferred income tax liability	10.7	Adjusted to reflect impact of calculation errors	1993 - 2005
Total increase in retained earnings	\$ 3.4		

In the first quarter of 2003, Synovus entered into interest rate swaps to hedge the fair value of certain brokered time deposits. Effectiveness was measured using the short-cut method. Upon further review of these arrangements at September 30, 2005, Synovus determined that these hedges did not qualify for the shortcut method of hedge accounting as the broker placement fee for the related certificates of deposit was factored into the pricing of the swaps. The hedging relationships were redesignated on September 30, 2005, using the cumulative dollar offset method to measure effectiveness. The prior years' adjustments were evaluated under the rollover approach and the correction of these misstatements was not material to Synovus' results of operations in any of the years impacted. Brokered time deposits were increased by the amount of the cumulative fair value basis adjustment and the associated deferred tax liability was removed, resulting in a net decrease in shareholders' equity of \$6.5 million, to correct the incorrect use of hedge accounting.

In the fourth quarter of 2004, Synovus entered into certain forward starting interest rate swaps to hedge the future interest payments on debt forecasted to be issued in 2005. Synovus accounted for these arrangements as cash flow

hedges. Upon further review of these arrangements, during the second quarter of 2005, it was determined that the swaps did not qualify for hedge accounting treatment. The hedging relationships were redesignated during the second quarter of 2005. The prior years' adjustments were evaluated under the rollover approach and the correction of these misstatements was not material to Synovus' results of operations in any of the years impacted. Accumulated other comprehensive losses were decreased and retained earnings were increased by \$0.8 million, respectively, to correct the incorrect use of hedge accounting.

From 1993 through 2005, Synovus had errors in its calculation of deferred taxes for temporary differences related to certain business combinations and premises and equipment. The prior years' errors were evaluated under the rollover approach and the correction of these misstatements was not material to Synovus' results of operations in any of the years impacted. The deferred income tax liability was reduced by \$10.7 million to correct the calculation errors.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS No. 159 permits entities to make an irrevocable election, at specified election dates, to measure eligible financial instruments and certain other items at fair value. This statement also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. The provisions of this statement are effective as of the beginning of the first fiscal year that begins after November 15, 2007. Synovus is currently evaluating the impact of adopting SFAS No. 159, but has yet to complete its assessment.

Reclassifications

Certain prior years' amounts have been reclassified to conform to the presentation adopted in 2006.

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Note 2 Business Combinations

Effective on March 25, 2006, Synovus acquired all of the issued and outstanding common shares of Riverside Bancshares, Inc., the parent company of Riverside Bank (Riverside), headquartered in Marietta, Georgia. Concurrent with the acquisition, Riverside was merged into a subsidiary of Synovus, Bank of North Georgia. The acquisition was accounted for using the purchase method of accounting, and accordingly, the results of operations of Riverside Bancshares have been included in Synovus' consolidated financial statements beginning March 25, 2006.

The aggregate purchase price was \$171.1 million, consisting of 5,883,427 shares of Synovus common stock valued at \$159.8 million, stock options valued at \$11.4 million, and \$182 thousand in direct acquisition costs. Synovus is in the process of completing the purchase price allocation relating to the acquisition.

The preliminary purchase price allocation is presented below.

Riverside Bancshares, Inc.

(In thousands)

Cash and due from banks	\$ 13,041
Investment securities	116,604
Loans, net	469,983
Premises and equipment	11,973
Goodwill	122,096
Core deposits premium	6,861
Other intangible assets	3,310
Other assets	22,389
Total assets acquired	766,257
Deposits*	491,739
Federal funds purchased	2,069
Securities sold under repurchase agreements	50,670
Long-term debt	37,683
Other liabilities	13,020
Total liabilities assumed	595,181
Net assets acquired	\$ 171,076

* Includes time deposits in the amount of \$176.7 million.

Effective on April 1, 2006, Synovus acquired all of the issued and outstanding common shares of Banking Corporation of Florida, the parent company of First Florida Bank (First Florida), headquartered in Naples, Florida. The acquisition was accounted for using the purchase method of accounting, and accordingly, the results of operations of First Florida have been included in Synovus' consolidated financial statements beginning April 1, 2006.

The aggregate purchase price was \$84.8 million, consisting of 2,938,791 shares of Synovus common stock valued at \$80.1 million, stock options valued at \$4.7 million and \$24 thousand in direct acquisition costs. Synovus is in the process of completing the purchase price allocation relating to the acquisition.

The preliminary purchase price allocation is presented below.

Banking Corporation of Florida*(In thousands)*

Cash and due from banks	\$ 2,595
Federal funds sold	4,782
Investment securities	5,655
Loans, net	341,825
Premises and equipment	2,317
Goodwill	54,590
Core deposits premium	1,172
Other intangible assets	937
Other assets	3,655
 Total assets acquired	 417,528
Deposits*	321,283
Long-term debt	10,269
Other liabilities	1,147
 Total liabilities assumed	 332,699
 Net assets acquired	 \$ 84,829

* Includes time deposits in the amount of \$231.9 million.

On July 11, 2006, TSYS completed the acquisition of Card Tech, Ltd., a privately owned London-based payments firm, and related companies. TSYS rebranded the group of companies as TSYS Card Tech. TSYS accounted for the acquisition using the purchase method of accounting, and accordingly, TSYS Card Tech's results of operations have been included in Synovus' consolidated financial statements beginning July 11, 2006. TSYS paid aggregate cash consideration of approximately \$59.3 million, including direct acquisition costs. TSYS is in the process of allocating the purchase price to the respective assets and liabilities acquired, and has preliminarily allocated approximately \$27.4 million to goodwill, approximately \$24.6 million to other identifiable intangible assets and the remaining amounts to other identifiable assets and liabilities acquired.

On November 1, 2005, TSYS purchased an initial 34.04% equity interest in China UnionPay Data Co., Ltd. (CUP Data) for approximately \$37.0 million. On August 1, 2006, TSYS paid aggregate consideration of approximately \$15.6 million to increase its ownership interest to 44.56% of CUP Data.

TSYS accounts for its investment in CUP Data under the equity method of accounting. The difference between the cost of the investment and the amount of underlying equity in net assets of CUP Data is recognized as goodwill. TSYS allocated

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\$39.8 million to goodwill and \$12.8 million to net assets acquired. The goodwill associated with CUP Data is not reported as goodwill in the consolidated balance sheet, but it is reported as a component of the equity investment.

On November 16, 2006, TSYS announced an agreement with Merchants, a customer-contact company, and wholly-owned subsidiary of Dimension Data, to deliver a comprehensive range of managed services to financial institutions across Europe, the Middle East and Africa. The new venture, TSYS Managed Services EMEA, Ltd. (TSYS Managed Services), includes existing Merchants centers in Milton Keynes, England and Barneveld, The Netherlands. TSYS Managed Services is expected to add future centers in other countries throughout Europe and in South Africa. TSYS accounted for its majority interest in the new venture as a business combination, and accordingly, the results of operations of TSYS Managed Services have been included in the consolidated financial results beginning November 16, 2006. TSYS paid aggregate consideration of approximately \$2.5 million, including direct acquisition costs, and has preliminarily allocated \$323 thousand to goodwill related to TSYS Managed Services.

On March 1, 2005, TSYS completed the acquisition of Vital Processing Services, L.L.C. by purchasing the 50% equity stake formerly held by Visa U.S.A. for \$95.8 million, including \$794 thousand of direct acquisition costs. In April, 2006, Vital was rebranded as TSYS Acquiring Solutions, L.L.C. (TSYS Acquiring). TSYS recorded the acquisition of the 50% interest as a purchase business combination, requiring that TSYS allocate the purchase price to the assets acquired and liabilities assumed based on their relative fair values. TSYS finalized the purchase price allocation during the first quarter of 2006 and has allocated \$30.2 million to goodwill, \$12.0 million to intangible assets and the remaining amount to the assets and liabilities acquired. TSYS Acquiring's results of operations have been included in the consolidated financial results beginning March 1, 2005.

The final purchase price allocation is presented below.

TSYS Acquiring Solutions, L.L.C.

(In thousands)

Cash and cash equivalents	\$ 19,399
Contract acquisition costs and computer software, net	31,656
Intangible assets	12,000
Goodwill	30,211
Other assets	34,407
 Total assets acquired	 127,673
Total liabilities assumed	31,830
Minority interest	49
 Net assets acquired	 \$ 95,794

Effective October 1, 2005, TSYS acquired the remaining 49% interest in Merlin Solutions, L.L.C., a subsidiary of TSYS Acquiring, for approximately \$2.0 million. TSYS has recorded the acquisition of the incremental 49% interest as a business combination requiring TSYS to allocate the purchase price to the assets acquired and liabilities assumed based on their relative fair values. TSYS allocated \$1.9 million to goodwill related to this acquisition.

On January 30, 2004, Synovus acquired all the issued and outstanding common shares of Peoples Florida Banking Corporation (Peoples Bank), the parent company of Peoples Bank, headquartered in Palm Harbor, Florida. The aggregate purchase price was \$78.4 million, consisting of 1,636,827 shares of Synovus common stock valued at \$43.7 million, \$32.1 million in cash, stock options valued at \$2.6 million and \$37 thousand in direct acquisition costs.

On July 25, 2005, Peoples Bank was merged into Synovus Bank of Tampa Bay.

On June 1, 2004, Synovus acquired all the issued and outstanding common shares of Trust One Bank (Trust One) in Memphis, Tennessee. The aggregate purchase price was \$111.0 million, consisting of 3,841,302 shares of Synovus common stock valued at \$107.7 million, approximately \$3 thousand in cash, stock options valued at \$3.2 million and \$126 thousand in direct acquisition costs.

On August 2, 2004, TSYS completed the acquisition of Clarity Payment Solutions, Inc. (Clarity). The aggregate purchase price was \$53.0 million in cash and \$515 thousand in direct acquisition costs. Clarity was renamed TSYS Prepaid, Inc. (TSYS Prepaid).

On May 31, 2002, Synovus acquired all the issued and outstanding common shares of GLOBALT, Inc. (GLOBALT). GLOBALT is a provider of investment advisory services based in Atlanta, Georgia, offering a full line of distinct large cap

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and mid cap growth equity strategies and products. GLOBALT's assets under management at June 1, 2002 were approximately \$1.3 billion. GLOBALT now operates as a wholly-owned subsidiary of Synovus and as a part of the Synovus Financial Management Services unit. The aggregate purchase price was \$20.0 million, consisting of 702,433 shares of Synovus common stock valued at \$19.0 million, \$0.9 million for forgiveness of debt, and \$100 thousand in direct acquisition costs. The terms of the merger agreement provide for contingent consideration based on a percentage of a multiple of earnings before interest, income taxes, depreciation, and other adjustments, as defined in the agreement (EBITDA) for each of the years ended December 31, 2004, 2005, and 2006. The contingent consideration was payable by February 15th of the year subsequent to the calendar year for which the EBITDA calculation is made. The fair value of the contingent consideration is recorded as an addition to goodwill. On February 15, 2007, Synovus recorded additional consideration of \$1.8 million, which was based on 14% of a multiple of GLOBALT's EBITDA for the year ended December 31, 2006. On February 15, 2006, Synovus recorded additional purchase consideration of \$585 thousand, which was based on 7% of a multiple of GLOBALT's EBITDA for the year ended December 31, 2005. On February 15, 2005, Synovus recorded additional consideration of \$226 thousand, which was based on 4% of a multiple of GLOBALT's EBITDA for the year ended December 31, 2004.

Pre-acquisition results of operations for each of the above business combinations were not material to the consolidated financial results of Synovus. Accordingly, pro forma disclosures have not been provided.

Note 3 Trading Account Assets

The following table summarizes trading account assets at December 31, 2006 and 2005.

	2006	2005
<i>(In thousands)</i>		
U.S. Treasury and U.S. Government agency securities	\$ 830	117
Mortgage-backed securities	13,715	25,403
State and municipal securities	54	1,401
Other investments	667	401
Total	\$ 15,266	27,322

Note 4 Investment Securities Available for Sale

The amortized cost, gross unrealized gains and losses, and estimated fair values of investment securities available for sale at December 31, 2006 and 2005 are summarized as follows:

	December 31, 2006			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<i>(In thousands)</i>				
U.S. Treasury and U.S. Government agency securities	\$ 1,783,313	4,784	(17,527)	1,770,570
Mortgage-backed securities	1,291,895	4,054	(20,591)	1,275,358
State and municipal securities	192,593	4,059	(467)	196,185

Equity securities	95,332	1,021		96,353
Other investments	13,976		(85)	13,891
Total	\$ 3,377,109	13,918	(38,670)	3,352,357

December 31, 2005

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury and U.S. Government agency securities	\$ 1,651,240	806	(27,434)	1,624,612
Mortgage-backed securities	1,032,485	1,379	(27,136)	1,006,728
State and municipal securities	206,744	6,151	(524)	212,371
Equity securities	112,350	493	(37)	112,806
Other investments	1,827		(24)	1,803
Total	\$ 3,004,646	8,829	(55,155)	2,958,320

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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 December 31, 2006 and 2005 were as follows:

	December 31, 2006					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<i>(In thousands)</i>						
U.S. Treasury and U.S. Government agency securities	\$ 208,942	(419)	1,118,599	(17,108)	1,327,541	(17,527)
Mortgage-backed securities	205,418	(618)	717,797	(19,973)	923,215	(20,591)
State and municipal securities	11,637	(61)	20,281	(406)	31,918	(467)
Equity securities						
Other investments	926	(74)	1,001	(11)	1,927	(85)
Total	\$ 426,923	(1,172)	1,857,678	(37,498)	2,284,601	(38,670)

	December 31, 2005					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury and U.S. Government agency securities	\$ 576,406	(8,198)	875,243	(19,236)	1,451,649	(27,434)
Mortgage-backed securities	386,242	(6,557)	509,521	(20,579)	895,763	(27,136)
State and municipal securities	24,506	(253)	5,157	(271)	29,663	(524)
Equity securities	249	(37)			249	(37)
Other investments	1,264	(24)			1,264	(24)
Total	\$ 988,667	(15,069)	1,389,921	(40,086)	2,378,588	(55,155)

U.S. Treasury and U.S. Government agency securities. The unrealized losses in this category consist primarily of unrealized losses in direct obligations of U.S. Government agencies and were caused by interest rate increases.

Because Synovus has the ability and intent to hold these investments until a recovery of fair value, which may be at maturity, Synovus does not consider these investments to be other-than-temporarily impaired at December 31, 2006 or December 31, 2005.

Mortgage-backed securities. The unrealized losses on Synovus' investment in U.S. Government agency mortgage-backed securities were caused by interest rate increases. These securities are rated AAA by both Moody's and Standard and Poor's. Because the decline in market value is attributable to changes in interest rates and not credit quality and because Synovus has the ability and intent to hold these investments until a recovery of fair value, which may be at maturity, Synovus does not consider these investments to be other-than-temporarily impaired at December 31, 2006 or December 31, 2005.

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The amortized cost and estimated fair value by contractual maturity of investment securities available for sale at December 31, 2006 are shown below. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Estimated Fair Value
<i>(In thousands)</i>		
U.S. Treasury and U.S. Government agency securities:		
Within 1 year	\$ 352,938	349,750
1 to 5 years	1,065,869	1,056,858
5 to 10 years	284,820	284,815
More than 10 years	79,686	79,147
	\$ 1,783,313	1,770,570
State and municipal securities:		
Within 1 year	\$ 21,351	21,402
1 to 5 years	69,695	70,814
5 to 10 years	75,910	78,004
More than 10 years	25,637	25,965
	\$ 192,593	196,185
Other investments:		
Within 1 year	\$ 266	264
1 to 5 years	1,097	1,087
5 to 10 years	2,796	2,796
More than 10 years	9,817	9,744
	\$ 13,976	13,891
Equity securities	\$ 95,332	96,353
Mortgage-backed securities	\$ 1,291,895	1,275,358
Total investment securities:		
Within 1 year	\$ 374,555	371,416
1 to 5 years	1,136,661	1,128,759
5 to 10 years	363,526	365,615
More than 10 years	115,140	114,856
Equity securities	95,332	96,353
Mortgage-backed securities	1,291,895	1,275,358
	\$ 3,377,109	3,352,357

A summary of sales transactions in the investment securities available for sale portfolio for 2006, 2005, and 2004 is as follows:

	Proceeds	Gross Realized Gains	Gross Realized Losses
<i>(In thousands)</i>			
2006	\$ 130,457		(2,118)
2005	\$ 50,048	744	(281)
2004	\$ 33,332	620	(545)

At December 31, 2006 and 2005, investment securities with a carrying value of \$2.90 billion and \$2.44 billion, respectively, were pledged to secure certain deposits, securities sold under agreements to repurchase, and Federal Home Loan Bank advances, as required by law and contractual agreements.

Note 5 Loans

Loans outstanding, by classification, are summarized as follows:

	December 31,	
	2006	2005
<i>(In thousands)</i>		
Commercial:		
Commercial, financial, and agricultural	\$ 5,875,854	5,268,042
Real estate-construction	8,246,380	6,374,859
Real estate-mortgage	6,920,107	6,448,325
Total commercial	21,042,341	18,091,226
Retail:		
Real estate-mortgage	2,881,880	2,559,339
Consumer loans-credit card	276,269	268,348
Consumer loans-other	500,757	521,521
Total retail	3,658,906	3,349,208
Total loans	24,701,247	21,440,434
Unearned income	(46,695)	(48,087)
Total loans, net of unearned income	\$ 24,654,552	21,392,347

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Activity in the allowance for loan losses is summarized as follows:

	Years Ended December 31,		
	2006	2005	2004
<i>(In thousands)</i>			
Balance at beginning of year	\$ 289,612	265,745	226,059
Allowance for loan losses of acquired subsidiaries	9,915		5,615
Provision for losses on loans	75,148	82,532	75,319
Recoveries of loans previously charged off	12,590	8,561	9,720
Loans charged off	(72,806)	(67,226)	(50,968)
Balance at end of year	\$ 314,459	289,612	265,745

At December 31, 2006, the recorded investment in loans that were considered to be impaired was \$42.2 million. Included in this amount is \$1.7 million of impaired loans for which the related allowance for loan losses is \$145 thousand, and \$40.5 million of impaired loans for which there is no related allowance for loan losses determined in accordance with SFAS No. 114, Accounting by Creditors for Impairment of a Loan. Synovus criteria for an impaired loan was changed in 2006 to conform with the definition in SFAS No. 114. The change had no material impact to the allowance for loan losses or provision expense. At December 31, 2006, all impaired loans were on nonaccrual status.

At December 31, 2005, the recorded investment in loans that were considered to be impaired was \$95.3 million. Included in this amount was \$58.9 million of impaired loans for which the related allowance for loan losses was \$22.9 million, and \$36.4 million of impaired loans for which there was no related allowance for loan losses determined in accordance with SFAS No. 114. At December 31, 2005, impaired loans in the amount of \$52.6 million were on nonaccrual status.

The allowance for loan losses on impaired loans was determined using either the fair value of the loans collateral, less estimated selling costs, or discounted cash flows. The average recorded investment in impaired loans was approximately \$67.1 million, \$90.9 million, and \$107.0 million for the years ended December 31, 2006, 2005, and 2004, respectively. There was no interest income recognized for the investment in impaired loans for the year ended December 31, 2006, and the related amount of interest income recognized during the period that such loans were impaired was approximately \$3.6 million and \$2.9 million for the years ended December 31, 2005 and 2004, respectively.

Loans on nonaccrual status amount to \$96.2 million, \$80.0 million, and \$80.2 million, at December 31, 2006, 2005, and 2004, respectively. If nonaccrual loans had been on a full accruing basis, interest income on these loans would have been increased by approximately \$3.9 million, \$2.5 million, and \$2.7 million for the years ended December 31, 2006, 2005, and 2004, respectively.

A substantial portion of the loans are secured by real estate in markets in which subsidiary banks are located throughout Georgia, Alabama, Tennessee, South Carolina, and Florida. Accordingly, the ultimate collectibility of a substantial portion of the loan portfolio, and the recovery of a substantial portion of the carrying amount of real estate owned, are susceptible to changes in market conditions in these areas.

In the ordinary course of business, Synovus subsidiary banks have made loans to certain executive officers and directors (including their associates) of the Parent Company and its significant subsidiaries, as defined. Significant subsidiaries consist of Columbus Bank and Trust Company, Bank of North Georgia, and The National Bank of South

Carolina. Management believes that such loans are made substantially on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with unaffiliated customers. The following is a summary of such loans outstanding and the activity in these loans for the year ended December 31, 2006.

(In thousands)

Balance at December 31, 2005	\$ 292,711
Adjustment for executive officer and director changes	(396)
Adjusted balance at December 31, 2005	292,315
New loans	234,196
Repayments	(228,102)
Balance at December 31, 2006	\$ 298,409

Note 6 Contract Acquisition Costs and Computer Software

Capitalized contract acquisition costs, consisting of conversion costs and payments for processing rights at TSYS, net of accumulated amortization, were \$167.4 million and \$163.9 million at December 31, 2006 and 2005, respectively. Amortization expense related to contract acquisition costs was \$44.5 million, \$37.8 million, and \$25.2 million, for the years ended December 31, 2006, 2005, and 2004, respectively.

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Aggregate estimated amortization expense of contract acquisition costs for the next five years is as follows:

	Contract Acquisition Costs
<i>(In thousands)</i>	
2007	\$ 34,011
2008	29,082
2009	28,007
2010	25,098
2011	23,606

The weighted average estimated useful lives of contract acquisition costs is as follows:

	Weighted Average Amortization Period (Yrs)
Payments for processing rights	9.8
Conversion costs	7.4
Combined	9.1

The following table summarizes TSYS computer software at December 31, 2006 and 2005:

	2006	2005
<i>(In thousands)</i>		
Licensed computer software	\$ 336,263	395,992
Software development costs	172,555	158,384
Acquisition technology intangibles	45,344	30,700
	554,162	585,076
Less accumulated amortization	(337,712)	(317,088)
Computer software, net	\$ 216,450	267,988

Amortization expense related to licensed and capitalized software development costs and acquisition technology intangibles at TSYS was \$92.7 million, \$69.4 million, and \$51.8 million for the years ended December 31, 2006, 2005, and 2004, respectively. Aggregate estimated amortization expense of computer software over the next five years

is as follows:

	Computer Software
<i>(In thousands)</i>	
2007	\$ 63,932
2008	57,050
2009	45,192
2010	25,976
2011	11,021

The weighted average estimated useful lives of TSYS computer software is as follows:

	Weighted Average Amortization Period (Yrs)
Licensed computer software	6.7
Software development costs	6.7
Acquisition technology intangibles	7.7
Combined	6.8

TSYS was developing its Integrated Payments Platform supporting the on-line and off-line debit and stored value markets, which would have given clients access to all national and regional networks, EBT programs, ATM driving and switching services for online debit processing. Through 2004, TSYS invested a total of \$6.3 million. In March 2005, TSYS evaluated its debit solution and decided to modify its approach in the debit processing market. With the acquisition of TSYS Acquiring and debit alternatives now available, TSYS determined that it would no longer market this third-party software product as its on-line debit solution. TSYS will continue to support this product for existing clients and will enhance and develop a new solution. As a result, TSYS recognized an impairment charge in net occupancy and equipment expense of approximately \$3.1 million related to its on-line debit solution. In September 2005, TSYS also recognized an impairment loss on developed software of \$482 thousand.

During 2004, TSYS changed its approach for entry into the Asia-Pacific market. As a result, TSYS recognized a \$10.1 million charge to net occupancy and equipment expense for the write-off of the double-byte software development project.

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Note 7 Other Intangible Assets and Other Assets

Other intangible assets as of December 31, 2006 and 2005 are presented in the following table:

	2006			2005		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
<i>(In thousands)</i>						
Other intangible assets:						
Purchased trust revenues	\$ 4,210	(1,567)	2,643	\$ 4,210	(1,286)	2,924
Acquired customer contracts	10,731	(5,702)	5,029	7,731	(3,818)	3,913
Employment contracts/non-competition agreements	1,091	(941)	150	1,091	(631)	460
Core deposit premiums	46,331	(19,232)	27,099	39,674	(16,124)	23,550
Intangibles associated with the acquisition of minority interest in TSYS	7,848	(1,271)	6,577	2,846	(759)	2,087
Customer relationships	25,116	(4,841)	20,275	13,800	(2,100)	11,700
Other	2,676	(863)	1,813	700	(467)	233
Total carrying value	\$ 98,003	(34,417)	63,586	\$ 70,052	(25,185)	44,867

Aggregate other intangible assets amortization expense for the years ended December 31, 2006, 2005, and 2004 was \$10.5 million, \$8.8 million, and \$8.7 million, respectively. Aggregate estimated amortization expense over the next five years is: \$10.6 million in 2007, \$9.4 million in 2008, \$8.8 million in 2009, \$7.8 million in 2010, and \$7.5 million in 2011.

Other Assets

Significant balances included in other assets are accounts receivable, company-owned life insurance policies, other real estate (ORE) and equity method investments.

At December 31, 2006 and 2005, TSYS had accounts receivable of \$246.6 million and \$184.5 million, respectively, net of allowance for doubtful accounts and billing adjustments of \$11.0 million and \$12.6 million at 2006 and 2005, respectively.

At December 31, 2006 and 2005, Synovus maintained certain company-owned life insurance policies with a carrying value of approximately \$204.0 million and \$187.2 million, respectively.

Investments in joint ventures consist of TSYS 49% investment in TSYS de México, TSYS 44.56% investment in CUP Data and prior to March 1, 2005, TSYS 50% investment in Vital. These investments are accounted for using the equity method. Other assets include \$62.1 million and \$42.7 million in recorded balances related to these investments at December 31, 2006 and 2005, respectively.

Note 8 Interest Bearing Deposits

A summary of interest bearing deposits at December 31, 2006 and 2005 is as follows:

	2006	2005
<i>(In thousands)</i>		
Interest bearing demand deposits	\$ 3,228,350	3,133,607
Money market accounts	6,905,834	5,748,378
Savings accounts	499,962	524,652
Time deposits under \$100,000	3,020,976	2,440,484
Time deposits of \$100,000 or more	4,086,232	2,951,724
	17,741,354	14,798,845
Brokered time deposits*	3,014,495	2,284,770
	\$ 20,755,849	17,083,615

* Brokered time deposits are in amounts of \$100,000 or more.

Interest bearing deposits include the unamortized balance of purchase accounting adjustments and the fair value basis adjustment for those time deposits which are hedged with interest rate swaps. Interest expense for the years ended December 31, 2006, 2005, and 2004 on time deposits of \$100,000 or more was \$299.5 million, \$171.5 million, and \$94.3 million, respectively.

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The following table presents scheduled cash maturities of time deposits at December 31, 2006:

(In thousands)

Maturing within one year	\$	8,518,807
between 1 2 years		762,369
2 3 years		259,625
3 4 years		255,829
4 5 years		140,944
Thereafter		159,409
	\$	10,096,983

Note 9 Long-Term Debt and Short-Term Borrowings

Long-term debt at December 31, 2006 and 2005 consists of the following:

	2006	2005
<i>(In thousands)</i>		
Parent Company:		
4.875% subordinated notes, due February 15, 2013, with semi-annual interest payments and principal to be paid at maturity	\$ 300,000	300,000
5.125% subordinated notes, due June 15, 2017, with semi-annual interest payments and principal to be paid at maturity	450,000	450,000
LIBOR + 3.60% debentures, matured in December 2006		10,252
LIBOR + 3.45% debentures, due September 30, 2037 with quarterly interest payments and principal to be paid at maturity (rate of 8.81% at December 31, 2006)	10,180	
LIBOR + 1.80% debentures, due April 19, 2035 with quarterly interest payments and principal to be paid at maturity (rate of 7.16% at December 31, 2006)	10,218	
Hedge-related basis adjustment	887	(883)
Total long-term debt Parent Company	771,285	759,369

	2006	2005
Subsidiaries:		
Federal Home Loan Bank advances with interest and principal payments due at various maturity dates through 2018 and interest rates ranging from 2.00% to 6.68% at December 31, 2006 (weighted average interest rate of 4.51% at December 31, 2006)	566,930	1,163,570
Other notes payable, capital leases and software obligations payable with interest and principal payments due at various maturity dates through 2028 (weighted	11,924	10,699

average interest rate of 6.09% at December 31, 2006)

Total long-term debt	subsidiaries	578,854	1,174,269
Total long-term debt		\$ 1,350,139	1,933,638

The provisions of the loan and security agreements associated with some of the promissory notes place certain restrictions, within specified limits, on payments of cash dividends, issuance of additional debt, creation of liens upon property, disposition of common stock or assets, and investments in subsidiaries. As of December 31, 2006, Synovus and its subsidiaries were in compliance with the covenants of the loan and security agreements.

The Federal Home Loan Bank advances are secured by certain loans receivable of approximately \$2.4 billion, as well as investment securities of approximately \$73.6 million at December 31, 2006.

Synovus has an unsecured line of credit with an unaffiliated bank for \$25 million with an interest rate of 50 basis points above the short-term index, as defined. The line of credit requires an annual commitment fee of .125% on the average daily available balance and draws can be made on demand (subject to compliance with certain restrictive covenants). There were no advances outstanding at December 31, 2006 and 2005.

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Required annual principal payments on long-term debt for the five years subsequent to December 31, 2006 are shown on the following table:

	Parent Company	Subsidiaries	Total
<i>(In thousands)</i>			
2007	\$	254,640	254,640
2008		53,381	53,381
2009		135,037	135,037
2010		16,653	16,653
2011		33,315	33,315

The following table sets forth certain information regarding federal funds purchased and securities sold under repurchase agreements, the principal components of short-term borrowings.

	2006	2005	2004
<i>(In thousands)</i>			
Balance at December 31	\$ 1,572,809	1,158,669	1,208,080
Weighted average interest rate at December 31	5.00%	3.69%	1.95%
Maximum month end balance during the year	\$ 1,974,272	1,918,797	1,749,923
Average amount outstanding during the year	\$ 1,534,312	1,103,005	1,479,815
Weighted average interest rate during the year	4.66%	2.86%	1.30%

Note 10 Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) for the years ended December 31, 2006, 2005, and 2004 are as follows:

	2006			2005			2004		
	Before- Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount	Before- Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount	Before- Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount
<i>(In thousands)</i>									
Net unrealized gains (losses) on cash flow hedges	\$ 5,909	(2,259)	3,650	(3,670)	1,430	(2,240)	(9,718)	3,965	(5,753)
Net unrealized gains (losses) on									

investment
securities
available for
sale:

Unrealized gains (losses) arising during the year	19,456	(7,482)	11,974	(45,639)	17,568	(28,071)	(32,988)	12,457	(20,531)
Reclassification adjustment for (gains) losses realized in net income	2,118	(824)	1,294	(463)	180	(283)	(75)	29	(46)
Net unrealized gains (losses)	21,574	(8,306)	13,268	(46,102)	17,748	(28,354)	(33,063)	12,486	(20,577)
Foreign currency translation gains (losses)	16,688	(3,813)	12,875	(12,161)	4,316	(7,845)	8,893	(3,169)	5,724
Other comprehensive income (loss)	\$44,171	(14,378)	29,793	(61,933)	23,494	(38,439)	(33,888)	13,282	(20,606)

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Cash settlements on cash flow hedges were \$2.5 million, \$7 thousand, and \$5.8 million for the years ended December 31, 2006, 2005, and 2004, respectively, all of which were included in earnings. During 2006, 2005, and 2004, Synovus recorded cash (payments) receipts on terminated hedges of \$159 thousand, (\$6.2) million, and \$313 thousand, respectively, which were deferred and are being amortized into earnings over the shorter of the remaining contract life or the maturity of the designated instrument as an adjustment to interest income (expense). There was one terminated cash flow hedge during 2006. There were two terminated cash flow hedges during 2005 and one terminated cash flow hedge during 2004. The corresponding net amortization on these settlements was approximately (\$389) thousand, (\$165) thousand, and \$456 thousand in 2006, 2005, and 2004, respectively. The change in unrealized gains (losses) on cash flow hedges was approximately \$5.6 million in 2006, (\$3.8) million in 2005, and (\$9.3) million in 2004.

In July 2006, TSYS restructured its European branch operation into a new statutory structure. As a result, TSYS UK bran