SYNOVUS FINANCIAL CORP
Form DEF 14A
March 14, 2001

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

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
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[X] Definitive Proxy Statement
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[ ] 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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[X] No fee required
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[LOGO](R)
SYNOVUS(R)

FINANCIAL CORP.

JAMES H. BLANCHARD
CHAIRMAN OF THE BOARD

March 15, 2001

Dear Shareholder:

You are cordially invited to attend our Annual Meeting of Shareholders at 10:00 a.m. on Wednesday, April 25, 2001, in the South Hall of the Columbus, Georgia Convention & Trade Center. Enclosed with this Proxy Statement are your proxy card and the 2000 Annual Report.

We hope that you will be able to be with us and let us give you a review of 2000. 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 2000 a good year. We look forward to your continued support in 2001 and another good year.

Sincerely yours,
/s/James H. Blanchard
JAMES H. BLANCHARD

Synovus Financial Corp.   Post Office Box 120   Columbus, Georgia 31902-0120

SYNOVUS(R)
FINANCIAL CORP.

NOTICE OF THE 2001 ANNUAL MEETING OF SHAREHOLDERS

TIME............... 10:00 a.m. E.T.
Wednesday, April 25, 2001

PLACE.............. South Hall
Columbus, Georgia Convention & Trade Center
801 Front Avenue
Columbus, Georgia 31901

ITEMS OF BUSINESS.. (1) To elect eight directors to serve until the Annual Meeting of Shareholders in 2004.

(2) To reapprove the Synovus Financial Corp. Executive Bonus Plan.

(3) 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 15, 2001.

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 web site listed on your proxy card; or

3) Mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope provided.

/s/G. Sanders Griffith, III
G. SANDERS GRIFFITH, III
Secretary

Columbus, Georgia
March 15, 2001

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 March 15, 2001. The Synovus Board of Directors is soliciting proxies to be used at the 2001 Annual Meeting of Synovus Shareholders which will be held on April 25, 2001, at 10:00 a.m., in the South Hall of the Columbus, Georgia Convention & Trade Center. 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 15, 2001. Your shares can be voted at the meeting only if you are present or represented by a valid proxy.

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 15, 2001, 285,356,720 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 sign the proxy card but do not specify how you want your shares to be voted, your shares will be voted by the designated proxies in favor of the election of all of the director nominees and in accordance with the directors' recommendations on the other proposal listed on the proxy card. 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 15, 2001 which: (i) has had the same owner since February 15, 1997; (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 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 15, 1997; (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 superceded, will be voted in accordance with instructions indicated on those proxies.

SHAREHOLDERS WHO DO NOT CERTIFY ON THEIR PROXY CARDS 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 - ELECTION OF DIRECTOR NOMINEES

Directors are elected by a plurality of the votes, which means the eight 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.

REQUIRED VOTES - OTHER MATTERS

The affirmative vote of a majority of the votes cast (in person or by proxy and entitled to vote at the Annual Meeting) is needed to approve the Synovus Executive Bonus Plan.

TABULATION OF VOTES

Under certain circumstances, brokers are prohibited from exercising discretionary authority for beneficial owners who have not returned proxies to the brokers (so-called "broker non-votes"). In such 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 in the vote totals with respect to those matters and, therefore, will have no effect on the vote.

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 web site 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.

COLUMBUS BANK AND TRUST COMPANY 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(R)("Columbus Bank"). Columbus Bank owns individually 80.8% of the outstanding shares of Total System Services, Inc.(R) ("TSYS(R)"), an electronic transaction processing company.

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 17 members. As 20 board seats have been authorized by Synovus' shareholders, Synovus has three 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. The Board is divided into three classes whose terms are staggered so that the term of one class expires at each Annual Meeting of Shareholders. The terms of office of the Class I directors expire at the 2001 Annual Meeting, the terms of office of the Class II directors expire at the 2002 Annual Meeting and the terms of office of the

Class III directors expire at the 2003 Annual Meeting. Eight director nominees have been nominated for election as Class I directors at this meeting. Proxies cannot be voted at the 2001 Annual Meeting for a greater number of persons than the number of nominees named.

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NOMINEES

The following nominees have been selected by the Corporate Governance Committee and approved by the Board for submission to the shareholders: James H. Blanchard, C. Edward Floyd, Gardiner W. Garrard, Jr., V. Nathaniel Hansford, Alfred W. Jones III, H. Lynn Page, Robert V. Royall and James D. Yancey.

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 Committee. If you do not wish your shares voted for one or more of the nominees, you may so indicate on the proxy.

MEMBERS OF THE BOARD OF DIRECTORS

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

Name	Age	Synovus Director Classification	Year First Elected Director	Principal Occupation and Other Information
Richard E. Anthony(1)	54	II	1993	Vice Chairman of the Board, Synovus Financial Corp.; Chai of the Board, First Commercia of Birmingham (Banking Subsid of Synovus)
Joe E. Beverly	59	II	1983	Chairman of the Board, Commer Bank, Thomasville, Georgia (Banking Subsidiary of Synovu Director, Flowers Industries,
James H. Blanchard(2)	59	I	1972	Chairman of the Board and Chi Executive Officer, Synovus Fi Corp.; Chairman of the Execut Committee, Total System Servi Inc.; Director, BellSouth Cor
Richard Y. Bradley	62	III	1991	Partner, Bradley & Hatcher (L Firm); Director, Total System Services, Inc.
Walter M. Deriso, Jr.(3)	54	II	1997	Vice Chairman of the Board, Synovus Financial Corp.; Chai of the Board, Security Bank a

				Trust Company, Albany, Georgi (Banking Subsidiary of Synovu
C. Edward Floyd, M.D.	66	I	1995	Vascular Surgeon
Gardiner W. Garrard, Jr.	60	I	1972	President, The Jordan Company (Real Estate Development); Di Total System Services, Inc.
V. Nathaniel Hansford(4)	57	I	1985	President, North Georgia Coll and State University
John P. Illges, III	66	III	1997	Senior Vice President and Fin Consultant, The Robinson-Hump Company, Inc. (Stockbroker); Director, Total System Servic

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Alfred W. Jones III(5)	43	I	2001	Chairman of the Board and Chi Officer, Sea Island Company (Development and Mangement); D Total System Services, Inc.
Mason H. Lampton	53	II	1993	Chairman of the Board and Pre The Hardaway Company and Chai Board, Standard Concrete Prod (Construction Companies); Director, Total System Servic
Elizabeth C. Ogie(6)	50	II	1993	Director, W.C. Bradley Co. (M Manufacturer and Real Estate)
H. Lynn Page	60	I	1978	Director, Synovus Financial Corp., Columbus Bank and Trus Company and Total System Serv Inc.
Robert V. Royall	66	I	1995	Chairman of the Board, The Na Bank of South Carolina (Banki Subsidiary of Synovus); Direc Cross Blue Shield of South Ca
Melvin T. Stith	54	II	1998	Dean, College of Business, Fl State University; Director, Correctional Services Corp.
William B. Turner(6)(7)	78	III	1972	Chairman of the Executive Committee, Columbus Bank and Trust Company and Synovus Financial Corp.; Advisory Dir C. Bradley Co. (Metal Manufac and Real Estate); Director, Total System Services, Inc.
James D. Yancey(8)	59	I	1978	President and Chief Operating Financial Corp.; Chairman of Columbus Bank and Trust Compa Director, Total System Servic and Shoney's, Inc.

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(1) Richard E. Anthony was elected Vice Chairman of Synovus in September 1995. Prior to 1995, Mr. Anthony served, and continues to serve, as President of Synovus Financial Corp. of Alabama and Chairman of the Board of First Commercial Bank of Birmingham, both of which companies are subsidiaries of Synovus.

(2) James H. Blanchard was elected Chairman of the Board of Synovus in April 1986. Prior to 1986, Mr. Blanchard served in various capacities with Synovus, Columbus Bank and/or TSYS, including President of Synovus.

(3) Walter M. Deriso, Jr. was elected Vice Chairman of Synovus in January 1997. Prior to 1997, Mr. Deriso served as President of Security Bank and Trust Company.

(4) V. Nathaniel Hansford was elected President of North Georgia College and State University in July 1999. Prior to 1999, Mr. Hansford served as Professor and Dean Emeritus of the University of Alabama School of Law.

(5) Alfred W. Jones III was elected as a director of Synovus on February 20, 2001 by Synovus' Board of Directors to fill a vacant Board seat.

(6) Elizabeth C. Ogie is William B. Turner's niece.

(7) William B. Turner was elected Chairman of the Executive Committee of Synovus in April 1986. Prior to 1986, Mr. Turner served in various capacities with Synovus and/or Columbus Bank, including Chairman of the Board of both Synovus and Columbus Bank.

(8) James D. Yancey was elected President and Chief Operating Officer of Synovus in April 1998. Prior to 1998, Mr. Yancey served in various capacities with Synovus and/or Columbus Bank, including Vice Chairman of the Board and President of both Synovus and Columbus Bank.

BOARD OF DIRECTORS

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, which include Synovus employees, customers and the communities in which it does business. 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. The Corporate Governance Committee conducts an annual review of corporate governance procedures. A majority of Synovus' directors are independent, nonemployee directors.

SUBMISSION OF DIRECTOR CANDIDATES

Shareholders who wish to suggest qualified candidates for consideration as directors of Synovus by the Corporate Governance Committee should write to: Corporate Secretary, Synovus Financial Corp., 901 Front Avenue, Suite 301, Columbus, Georgia 31901, stating in detail the qualifications of such persons.

BOARD AND COMMITTEE MEETINGS

The Board of Directors held six meetings in 2000. All directors attended at least 75% of Board and committee meetings held during their tenure during 2000, except C. Edward Floyd who attended 67%. The average attendance by directors at the aggregate number of Board and committee meetings they were scheduled to attend was 93%.

COMMITTEES OF THE BOARD

Synovus' Board of Directors has four principal standing committees -- an Executive Committee, an Audit Committee, a Corporate Governance Committee and a Compensation Committee. The following table shows the membership of the various committees.

Executive	Audit	Corporate Governance	Compensa
William B. Turner, Chair	John P. Illges, III, Chair	Richard Y. Bradley, Chair	Gardiner
James H. Blanchard	H. Lynn Page	C. Edward Floyd	Mason H.
James D. Yancey	Melvin T. Stith	Elizabeth C. Ogie	V. Natha
Richard Y. Bradley		Melvin T. Stith	
Gardiner W. Garrard, Jr.			
John P. Illges, III			

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Executive Committee. Synovus' Executive Committee held four meetings in 2000. 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.

Audit Committee. Synovus' Audit Committee held four meetings in 2000. Its Report begins on page 7. The primary functions to be engaged in by Synovus' Audit Committee include:

- Monitoring the quality and integrity of Synovus' financial reporting process and systems of internal controls regarding finance, accounting, regulatory and legal compliance;

- Monitoring the independence and performance of Synovus' independent auditors and internal auditing activities; and

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

Corporate Governance Committee. Synovus' Corporate Governance Committee held three meetings in 2000. The primary functions to be engaged in by Synovus' Corporate Governance Committee include:

- Making recommendations to the Board regarding the governance of Synovus as reflected in Synovus' Articles of Incorporation and bylaws;

- Making recommendations to the Board regarding Board administration, including developing criteria for selecting and retaining Board members, seeking qualified candidates for the Board and recommending assignment of Board members to appropriate Board committees;

- Making recommendations to the Board regarding a policy and program regarding director compensation and annual assessment of Board performance;
- Establishing procedures for the Chief Executive Officer's annual performance review; and
- Establishing procedures for annual reviews of succession planning and management development.

Compensation Committee. Synovus' Compensation Committee held six meetings in 2000. Its Report on Executive Compensation begins on page 17. The primary functions to be engaged in by Synovus' Compensation Committee include:

- The design and oversight of Synovus' executive compensation program;
- The design and oversight of all compensation and benefit programs in which employees, officers and directors of Synovus are eligible to participate; and
- Performing an annual evaluation of the Chief Executive Officer.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors is comprised of three directors who the Board and Audit Committee believe are independent as defined in the New York Stock Exchange's listing standards.

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In accordance with its written charter adopted by the Board of Directors, which is attached as Appendix A to this Proxy Statement, the Audit Committee assists the Board with fulfilling its oversight responsibility regarding the quality and integrity of Synovus' financial reporting process. In discharging its oversight responsibilities regarding the audit process, the Audit Committee:

- Reviewed and discussed with management Synovus' audited financial statements as of and for the year ended December 31, 2000;
- Discussed with KPMG LLP, Synovus' independent auditors, 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 financial statements referred to above be included in Synovus' Annual Report on Form 10-K for the year ended December 31, 2000, to be filed with the Securities and Exchange Commission.

This Audit Committee Report shall not be deemed incorporated by reference in any document previously or subsequently filed with the Securities and Exchange Commission that incorporates by reference all or any portion of this Proxy Statement, except to the extent Synovus specifically requests that the

Report be specifically incorporated by reference.

The Audit Committee

John P. Illges, III
H. Lynn Page
Melvin T. Stith

DIRECTORS' COMPENSATION

COMPENSATION

During 2000, directors received the following compensation:

Annual retainer	$20,000
Attendance fee for each Board meeting	$ 1,800
Attendance fee for each Executive Committee meeting, including the chairman	$ 1,800
Attendance fee for each committee meeting chaired, other than executive	$ 1,200
Attendance fee for committee meetings, other than executive	$ 750

DIRECTOR STOCK PURCHASE PLAN

Synovus' Director Stock Purchase Plan is a nontax-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.

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CONSULTING SERVICES

H. Lynn Page, a director and the former Vice Chairman of the Board of Synovus, and Synovus are parties to a Consulting Agreement pursuant to which Mr. Page was paid $24,000 by Synovus during 2000 for providing consulting and advisory services to Synovus in connection with portfolio management and potential opportunities for business expansion.

Joe E. Beverly, a director and the former Vice Chairman of the Board of Synovus, and Synovus are parties to a Retirement Agreement pursuant to which Mr. Beverly was paid $24,000 by Synovus during 2000 for providing consulting and advisory services to Synovus relating to Synovus' affiliate banks.

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

James H. Blanchard	59	Chairman of the Board and Chief Executive Officer
William B. Turner	78	Chairman of the Executive Committee
James D. Yancey	59	President and Chief Operating Officer
Richard E. Anthony	54	Vice Chairman of the Board
Walter M. Deriso, Jr.	54	Vice Chairman of the Board
Elizabeth R. James	39	Vice Chairman
G. Sanders Griffith, III	47	Senior Executive Vice President, General Counsel and Secretary
Thomas J. Prescott	46	Executive Vice President and Chief Financial Officer
Mark G. Holladay	45	Executive Vice President and Chief Credit Officer
Calvin Smyre	53	Executive Vice President, Corporate Affairs

Elizabeth R. James was elected Vice Chairman of Synovus in May 2000. From 1986 until 2000, Ms. James served in various capacities with Synovus, Columbus Bank and/or TSYS, including Chief People Officer of Synovus. 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. 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. 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 Columbus Bank, including Executive Vice President. Calvin Smyre was elected Executive Vice President of Synovus in November 1996. From 1976 until 1996, Mr. Smyre served in various capacities with Columbus Bank and/or Synovus, including Senior Vice President of Synovus.

STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth ownership of shares of Synovus stock by each director, by each executive officer named in the Summary Compensation Table on page 13 and by all directors and executive officers as a group as of December 31, 2000 (subject to note (3)).

Name	Shares of Synovus Stock Beneficially Owned with Sole Voting and Invest- ment Power as of 12/31/00	Shares of Synovus Stock Beneficially Owned with Shared Voting and Invest- ment Power as of 12/31/00	Shares of Synovus Stock Beneficially Owned with Sole Voting but no Invest- ment Power as of 12/31/00	Total Shares of Synovus Stock Beneficially Owned as of 12/31/00(1)	P O S S B O 1
Richard E. Anthony	400,630	199,694	9,311	1,036,399	
Joe E. Beverly	416,636	4,100	4,954	566,120	
James H. Blanchard	1,387,547	211,360	162,127	3,056,389	
Richard Y. Bradley	21,617	84,887	---	106,504	
Walter M. Deriso, Jr.	31,193	589	---	227,261	
C. Edward Floyd, M.D.	31,428	1,208,739	---	1,240,167	
Gardiner W. Garrard, Jr.	204,147	1,263,616	---	1,467,763	
G. Sanders Griffith, III	99,556	---	64,084	534,738	
V. Nathaniel Hansford	126,301	415,024	---	541,325	
John P. Illges, III	282,727	504,096	---	786,823	

Alfred W. Jones III	4,135	---	---	4,135
Mason H. Lampton	79,996	302,451(2)	---	382,447
Elizabeth C. Ogie	62,105	30,348,792(3)	---	30,410,897
H. Lynn Page	797,886	11,515	---	809,401
Robert V. Royall	269,130	168,947	---	714,759
Melvin T. Stith	1,971	100	---	2,071
William B. Turner	73,246	30,209,047(3)	---	30,282,293
James D. Yancey	1,022,406	61,677	7,810	1,868,999
Directors and Executive Officers as a Group (22 persons)	5,437,258	34,805,509(3)	249,616	44,248,065

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

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(1) The totals shown for the following directors and executive officers of Synovus include the number of shares of Synovus stock that each individual has the right to acquire within 60 days through the exercise of stock options:

Person	Number of Shares
Richard E. Anthony	426,764
Joe E. Beverly	140,430
James H. Blanchard	1,295,355
Walter M. Deriso, Jr.	195,479
G. Sanders Griffith, III	371,098
Robert V. Royall	276,682
James D. Yancey	777,106

In addition, the other executive officers of Synovus have rights to acquire an aggregate of 398,804 shares of Synovus stock within 60 days through the exercise of stock options.

(2) Includes 276,187 shares of Synovus stock held in a trust for which Mr. Lampton is not the trustee. Mr. Lampton disclaims beneficial ownership of such shares.

(3) Includes 2,568,205 shares of Synovus stock held by a charitable foundation of which Mrs. Ogie and Mr. Turner are among the trustees, and 27,621,025 shares of Synovus stock beneficially owned by TB&C Bancshares, Inc., of which Mrs. Ogie and Mr. Turner are officers, directors and shareholders. The total shares beneficially owned by TB&C at year end included 13,311,843 shares (4.67%) of Synovus stock held by three trusts for the benefit of Mr. Turner, his two sisters and their respective descendants and as to which TB&C leased voting and certain other rights. That lease was terminated on January 22, 2001, which reduced TB&C's beneficial ownership to 14,309,182 shares (5.03%) of Synovus stock. Mr. Turner and Mrs. Ogie no longer share voting or investment power as to the shares held in these trusts.

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 25.

DIRECTORS' PROPOSAL TO REAPPROVE THE SYNOVUS FINANCIAL CORP. EXECUTIVE BONUS PLAN

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THIS PROPOSAL.

Synovus' executive compensation program includes short-term incentive bonus awards under the Synovus Financial Corp. Executive Bonus Plan (the "Plan"). The purposes of the Plan are to reward selected executive officers for superior corporate performance and to attract and retain top quality executive officers. Subject to reapproval by Synovus' shareholders, compensation paid pursuant to the Plan is intended, to the extent reasonable, to continue to qualify for tax deductibility under Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, as may be amended from time to time ("Section 162(m)"). The Plan was originally approved by Synovus shareholders in 1996. Because Section 162(m) requires shareholder aproval every five years, the Plan is being submitted to shareholders for reapproval.

Eligibility and Participation. The Chief Executive Officer and the four highest compensated officers of Synovus and any publicly-traded subsidiary of Synovus are eligible to participate in the Plan. Approximately 10 employees are eligible to participate in the Plan. The Committee, as described below, has discretion to select participants from among eligible employees from year to year.

Description of Awards Under the Plan. Pursuant to the Plan, Synovus may award incentive bonus opportunities to participants. Each fiscal year, the Committee shall establish, in writing, the performance goals applicable to such and/or any succeeding fiscal year. The performance measures which shall be used to determine the amount of the incentive bonus award for each such performance period shall be chosen from among the following for Synovus, any of its business segments and/or any of its business units, unless and until the Committee proposes a change in such measures for shareholder vote or applicable tax and/or securities laws change to permit the Committee discretion to alter such performance measures without obtaining shareholder approval: (i) return on assets; (ii) net income; (iii) operating income; (iv) nonperforming assets and/or loans as a percentage of total assets and/or loans; (v) return on capital compared to cost of capital; (vi) earnings per share and/or earnings per share growth; (vii) return on equity; (viii) noninterest expense as a percentage of total expense; (ix) loan charge-offs as a percentage of total loans; (x) productivity and expense control; (xi) number of cardholder, merchant and/or other customer accounts processed and/or converted by TSYS; (xii) successful negotiation or renewal of contracts with new and/or existing customers by TSYS; (xiii) stock price; and (xiv) asset growth. Awards shall be determined based on the achievement of such preestablished performance goals and shall be awarded based on a percentage of a participant's base salary.

The Committee shall have no discretion to increase the amount of any award under the Plan but will retain the ability to eliminate or decrease an award otherwise payable to a participant. The Committee shall certify, in writing, that the performance goals have been met before any payments to participants may be made. Payment of the incentive bonus award earned, if any, shall be made in cash, as soon as practicable after Committee approval or deferred until retirement (if elected by the participant prior to the beginning of the year in which the bonus is to be earned).

Termination of Employment. Any participant not employed by Synovus or a publicly-traded subsidiary of Synovus on December 31 of any fiscal year will not be entitled to an award unless otherwise determined by the Committee.

Maximum Amount Payable to Any Participant. The maximum amount payable for each performance period under the Plan to any participant is one hundred fifty percent (150%) of such participant's base salary; provided, however, that no participant may receive an award for any performance period in excess of $1.5 million.

Amendment of the Plan. The Board of Directors may amend the Plan at any time including amendments that increase the costs of the Plan and allocate benefits between persons and groups in the table below differently; provided, however, that no amendment shall be made without shareholder approval that increases the maximum amount payable to any participant in excess of the limits set forth above.

Duration of the Plan. The Plan shall remain in effect from the date it is approved by Synovus' shareholders until the date it is terminated by the Board of Directors. The Board of Directors may terminate the Plan at any time.

Administration. The Plan will be administered by the Compensation Committee of the Board of Directors (the "Committee"). The Committee will be comprised of two or more "outside" directors within the meaning of Section 162(m).

Estimate of Benefits. Messrs. Blanchard and Yancey were selected to participate in the Plan in 2000, while Messrs. Anthony, Deriso and Griffith were selected to participate in the Synovus Incentive Bonus Plan. However, no amounts were awarded under the Plan to any Synovus executives for the fiscal year 2000. Because the amounts that will be paid pursuant to the Plan are not currently determinable, the amounts that would have been awarded for fiscal year 2000 if maximum awards had been made under the Plan and if the Chief Executive Officer and the four other highest compensated officers of Synovus participated in the Plan are as follows:

NEW PLAN BENEFITS
SYNOVUS FINANCIAL CORP. EXECUTIVE BONUS PLAN

Name and Position	Dollar Value ($)
James H. Blanchard Chairman of the Board and Chief Executive Officer	$ 513,750
James D. Yancey President and Chief Operating Officer	334,750
Richard E. Anthony Vice Chairman of the Board	225,000
Walter M. Deriso, Jr. Vice Chairman of the Board	193,500
G. Sanders Griffith, III Senior Executive Vice President, General Counsel and Secretary	189,600

Executive Group	1,456,600
Non-Executive Director Group	-0-
Non-Executive Officer Employee Group	-0-

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following table summarizes the cash and noncash compensation for each of the last three fiscal years for the chief executive officer of Synovus and for the other four most highly compensated executive officers of Synovus.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation: Salary	Annual Compensation: Bonus	Annual Compensation: Other Annual Compen-sation(1)	Long-Ter[m] Compensat[ion]: Restricted Stock Award(s) (2)
James H. Blanchard	2000	$685,000	$ -0-	$4,000	$ -0-
Chairman of the	1999	656,000	492,000	1,500	-0-
Board and Chief	1998	635,250	476,438	-0-	-0-
Executive Officer					
James D. Yancey	2000	515,000	-0-	4,000	-0-
President and Chief	1999	490,000	318,500	2,000	-0-
Operating Officer	1998	475,000	464,750	2,000	-0-
Richard E. Anthony	2000	375,000	-0-	4,000	145,624
Vice Chairman of the	1999	358,000	214,500	-0-	-0-
Board	1998	335,000	306,000	2,000	-0-
Walter M. Deriso, Jr.	2000	322,500	-0-	4,000	-0-
Vice Chairman	1999	295,000	177,000	-0-	-0-
of the Board	1998	260,000	156,000	-0-	-0-
G. Sanders Griffith, III	2000	316,000	-0-	-0-	
Senior Executive Vice	1999	300,500	180,300	-0-	-0-
President, General	1998	283,750	258,450	-0-	-0-
Counsel and Secretary					

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(1) Amount for 2000 includes matching contributions under the Director Stock Purchase Plan of $4,000 for Messrs. Blanchard, Yancey, Anthony and Deriso. Perquisites and other personal benefits are excluded because the aggregate amount does not exceed the lesser of $50,000 or 10% of annual salary and bonus for the named executives.

(2) On January 20, 2000, restricted stock was awarded in the amount of 5,406 shares to Mr. Anthony with the following vesting schedule: 20% on January 20, 2001, 2002, 2003, 2004 and 2005. As of December 31, 2000, Messrs. Blanchard, Yancey, Anthony and Griffith held 7,295, 7,810, 9,311 and 3,755 restricted shares, respectively, with a value of $196,509, $210,382, $250,815 and $101,150, respectively.

(3) The 2000 amount includes director fees of $49,600, $49,000, $28,500 and $28,400 for Messrs. Blanchard, Yancey, Anthony and Deriso, respectively, in connection with their service as directors of Synovus and certain of its subsidiaries; contributions or other allocations to defined contribution plans of $17,000 for each executive; allocations pursuant to defined contribution excess benefit agreements of $140,980, $92,889, $58,730, $46,129 and $45,682 for each of Messrs. Blanchard, Yancey, Anthony, Deriso and Griffith, respectively; premiums

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paid for group life insurance coverage of $750, $750, $566, $488 and $477 for each of Messrs. Blanchard, Yancey, Anthony, Deriso and Griffith, respectively; the economic benefit of life insurance coverage related to split-dollar life insurance policies of $2,198, $1,527, $1,657 and $51 for each of Messrs. Blanchard, Yancey, Anthony and Griffith, respectively; and the dollar value of the benefit of premiums paid for split-dollar life insurance policies (unrelated to term life insurance coverage) projected on an actuarial basis of $45,452, $44,621 and $16,877 for each of Messrs. Blanchard, Yancey and Anthony, respectively.

STOCK OPTION EXERCISES AND GRANTS

The following tables provide certain information regarding stock options granted and exercised in the last fiscal year and the number and value of unexercised options at the end of the fiscal year.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

	Individual Grants				
Name	Options/ SARs Granted (#)	% of Total Options/ SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Share)	Expiration Date	Potent Realiz Assume Stock For Op 5%($)
James H. Blanchard	582,125(2)	10.34%	$18.06	01/19/10	$5,017
	92,875(3)	1.65	18.06	01/19/10	800
	417,875(4)	7.42	18.00	05/04/10	3,589
James D. Yancey	57,758(3)	1.03	18.06	01/19/10	497
	500,000(5)	8.88	17.69	06/28/10	4,225
Richard E. Anthony	16,217(3)	0.29	18.06	01/19/10	139
	400,000(5)	7.10	17.69	06/28/10	3,380
Walter M. Deriso, Jr.	27,546(3)	0.49	18.06	01/19/10	237
	400,000(5)	7.10	17.69	06/28/10	3,380
G. Sanders Griffith, III	27,279(3)	0.48	18.06	01/19/10	235
	400,000(5)	7.10	17.69	06/28/10	3,380

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(1) The dollar gains under these columns result from calculations using the identified growth rates and are not intended to forecast future price appreciation of Synovus stock.

(2) Options granted on January 20, 2000 at fair market value. Options become exercisable in equal installments when the per share fair market value of Synovus stock meets or exceeds $40, $45 and $50, and in any event on September 12, 2006. Options are transferable to family members.

(3) Options granted on January 20, 2000 at fair market value. Options become exercisable on January 20, 2002. Options are transferable to family members.

(4) Options granted on May 5, 2000 at fair market value. Options become

exercisable in equal installments when the per share fair market value of Synovus stock meets or exceeds $40, $45 and $50, and in any event on September 12, 2006. Options are transferable to family members.

(5) Options granted on June 29, 2000 at fair market value. Options become exercisable in equal installments when the per share fair market value of Synovus stock meets or exceeds $40, $45 and $50, and in any event on June 29, 2007. Options are transferable to family members.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FY-END OPTION/SAR VALUES

Name	Shares Acquired on Exercise (#)	Value Realized ($)(1)	Number of Securities Underlying Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable	Value of Unexercised In- Options/SARs at Exercisable/Une
James H. Blanchard	-0-	$-0-	1,124,604 / 2,026,426	$15,355,486 / $
James D. Yancey	-0-	-0-	670,719 / 926,945	8,826,233 /
Richard E. Anthony	-0-	-0-	367,092 / 476,189	5,610,088 /
Walter M. Deriso, Jr.	-0-	-0-	147,741 / 475,584	1,569,787 /
G. Sanders Griffith, III	-0-	-0-	320,973 / 608,954	4,325,137 /

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(1) Market value of underlying securities at exercise or year-end, minus the exercise or base price.

EMPLOYMENT CONTRACTS AND CHANGE IN CONTROL ARRANGEMENTS

Employment Agreement with Mr. Blanchard. Synovus entered into an Employment Agreement with Mr. Blanchard, Chairman of the Board of Directors and Chief Executive Officer of Synovus, effective September 13, 1999. Under the Employment Agreement, Mr. Blanchard agreed to serve as Chairman and CEO of Synovus for five years, and to remain employed by Synovus for seven years. Under this Agreement, Mr. Blanchard receives a base salary that is determined on an annual basis by the Synovus Compensation Committee. During 2000, Synovus paid Mr. Blanchard a base salary of $685,000 under this Employment Agreement. The Employment Agreement with Mr. Blanchard also provides that Mr. Blanchard will receive deferred compensation totaling $468,000 over a 10 to 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 2-year covenant not to compete, or in the event of his death by suicide.

Employment Agreement with Mr. Yancey. Synovus has entered into an Employment Agreement with Mr. Yancey, President and Chief Operating Officer of of Synovus. Mr. Yancey's Employment Agreement automatically renews every year and may be terminated upon 30 days prior written notice. Under this Agreement, Mr. Yancey receives a base salary that is determined on an annual basis by the Synovus Compensation Committee. During 2000, Synovus paid Mr. Yancey a base salary of $515,000 under this Employment Agreement. The Employment Agreement with Mr. Yancey also provides that Mr. Yancey will receive deferred compensation totaling $375,000 over a 10 to 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 2-year covenant not to compete, or in the event of his death by suicide.

Long-Term Incentive Plans. Under the terms of Synovus' 1992, 1994 and 2000 Long-Term Incentive Plans, all awards become automatically vested in the event of a Change of Control, as defined below. Awards under the Plans may include stock options, restricted stock, stock appreciation and performance awards. Messrs. Blanchard, Yancey, Anthony, Deriso and Griffith each have restricted stock and stock options under the Long-Term Incentive Plans.

Change of Control Agreements. Synovus has entered into Change of Control Agreements with Messrs. Blanchard, Yancey, Anthony, Griffith and Deriso, and certain other executive officers. In the event of a Change of Control, an executive would receive the following:

* Three times the executive's current base salary and bonus (bonus is defined as the average bonus over the past three years measured as a percentage multiplied by the executive's current base salary).

* Three years of medical, life, disability and other welfare benefits.

* A pro rata bonus through the date of termination for the separation year.

* A cash amount in lieu of a long-term incentive award for the year of separation equal to 1.5 times the normal market grant, if the executive received a long-term incentive award in the year of separation, or 2.5 times the market grant if not.

In order to receive these benefits, an executive must be actually or constructively terminated within one year following a Change of Control, or the executive may voluntarily or involuntarily terminate employment during the thirteenth month following a Change of Control. A Change of Control under these agreements is defined as: (i) the acquisition of 20% or more of the "beneficial ownership" of Synovus' outstanding voting stock, with certain exceptions for Turner family members; (ii) the persons serving as directors of Synovus as of January 1, 1996, and their replacements or additions, ceasing to comprise at least two-thirds of the Board members; (iii) a merger, consolidation, reorganization or sale of Synovus' assets unless the prior owners of Synovus own more than two-thirds of the new company, no person owns more than 20% of the new company, and two-thirds of the new company's Board members are prior Board members of Synovus; or (iv) a triggering event occurs as defined in the Synovus Rights Agreement. In the event an executive is impacted by the Internal Revenue Service excise tax that applies to certain Change of Control arrangements, the executive would receive additional payments so that he or she would be in the same position as if the excise tax did not apply. The Change of Control Agreements do not provide for any retirement benefits or perquisites.

STOCK PERFORMANCE GRAPH

The following graph compares the yearly percentage change in cumulative shareholder return on Synovus stock with the cumulative total return of the Standard & Poor's 500 Index and the Keefe, Bruyette & Woods 50 Bank Index for the last five fiscal years (assuming a $100 investment on December 31, 1995 and reinvestment of all dividends).

[Omitted Stock Performance Graph is represented by the following table.]

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN
SYNOVUS FINANCIAL CORP., S&P 500 AND KBW 50 BANK INDEX

	1995	1996	1997	1998	1999	2000
Synovus	$100	$172	$267	$297	$250	$347
S&P 500	$100	$123	$164	$211	$255	$232
KBW 50	$100	$141	$207	$224	$216	$260

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COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee ("Committee") of Synovus is responsible for the design and oversight of the Synovus executive compensation program, as well as the compensation and other benefit plans in which officers, employees and directors of Synovus and its subsidiaries participate. The Committee has designed its compensation program to attract and retain highly motivated and well-trained executives in order to create superior shareholder value for Synovus shareholders.

Elements of Executive Compensation. The four elements of executive compensation at Synovus are:

* Base Salary
* Annual Bonus
* Long-Term Incentives
* Other Benefits

The Committee believes that a substantial portion (though not a majority) of an executive's compensation should be at risk based upon performance, both in the short-term (through the annual bonus and the Synovus/TSYS Profit Sharing Plan and the Synovus/TSYS 401(k) Savings Plan) and long-term (through long-term incentives such as stock options and restricted stock awards). The remainder of each executive's compensation is primarily based upon the competitive practices of banks similar in size to Synovus, with a premium added to reflect the past performance of Synouvs and the technology component of TSYS' business ("similar companies"). The Committee believes that this approach is the most appropriate market data to use for determining the compensation of Synovus executives. The companies used for comparison under this approach are not the same companies included in the peer group index appearing in the Stock Performance Graph on page 16. Each element of executive compensation is discussed in detail below.

Base Salary. Base salary is an executive's annual rate of pay without regard to any other elements of compensation. The primary consideration used by the Committee to determine an executive's base salary is a market comparison of comparable positions within similar companies based upon the executive's level of responsibility and experience. Base salaries are targeted in the median level of similar companies. In addition to market comparisons, individual performance is also considered in determining an executive's base salary, although it does not weigh heavily. Based solely upon market comparisons, the Committee increased Mr. Blanchard's base salary in 2000, as well as the base salaries of Synovus' other executive officers.

Annual Bonus. The Committee awards annual bonuses under two different plans, the Synovus Executive Bonus Plan (which was approved by Synovus shareholders in 1996 and is being submitted for reapproval in 2001) and the Synovus Incentive Bonus Plan. The Committee selects the participants in each Plan from year to year. For 2000, the Committee selected Messrs. Blanchard and Yancey to participate in the Executive Bonus Plan while Messrs. Anthony, Deriso and Griffith were selected to participate in the Incentive Bonus Plan. Under the terms of the Plans, bonus amounts are paid as a percentage of base pay based on the achievement of performance goals that are established each year by the Committee. The performance goals may be chosen by the Committee from among the following measurements:

* Return on assets;

* Net income;

* Operating income;

* Non-performing assets and/or loans as a percentage of total assets and/or loans;

* Return on capital compared to cost of capital;

* Earnings per share and/or earnings per share growth;

* Return on equity;

* Non-interest expense as a percentage of total expense;

* Loan charge-offs as a percentage of loans;

* Productivity and expense control;

* Number of cardholder, merchant and/or other customer accounts processed and/or converted by TSYS;

* Successful negotiation or renewal of contracts with new and/or existing customers by TSYS;

* Stock price; and

* Asset growth.

The Committee established a payout matrix based on attainment of net income goals during 2000 for Mr. Blanchard and Synovus' other executive officers. The maximum percentage payouts under the Plans for 2000 were 75% for Mr. Blanchard, 65% for Mr. Yancey and 60% for Messrs. Anthony, Deriso and Griffith. Synovus' financial performance and each executive's individual performance can reduce the bonus awards determined by the attainment of the goals. In 2000, the Committee did not make bonus awards to any of Synovus' executive officers because the net income goals were not attained.

Long-Term Incentives. The Committee has awarded long-term incentives in the form of stock options and restricted stock awards to executives. Restricted stock awards are designed to focus executives on the long-term performance of Synovus. Stock options provide executives with the opportunity to buy and maintain an equity interest in Synovus and to share in its capital appreciation. Executives are encouraged to hold the shares received upon the lapse of restrictions on restricted stock awards and upon the exercise of stock options, linking their interests to those of Synovus' shareholders. The Committee has established a payout matrix for long-term grants that uses total shareholder return measured by Synovus' performance (stock price increases plus dividends) and how Synovus' total shareholder return compares to the return of the peer group of companies appearing in the Stock Performance Graph on page 16. For the long-term incentive awards made in 2000, total shareholder return and peer comparisons were measured during the 1997 to 1999 performance period. Under the payout matrix, the Committee awarded Messrs. Blanchard, Yancey, Anthony, Deriso and Griffith stock options of 92,875, 57,758, 16,217, 27,546, and 27,279, respectively, which options become exercisable on January 20, 2002. The Committee also made performace grants of 1,000,000, 500,000, 400,000, 400,000 and 400,000 stock options to Messrs. Blanchard, Yancey, Anthony, Deriso and Griffith, respectively. The options are exercisable in equal installments when the market price of Synovus stock exceeds $40, $45 and $50 per share and in any event seven years from the date of grant (or, in the case of Mr. Blanchard, the expiration of his Employment Agreement). The Committee strongly believes that these performance grants, which are designed to reward Synovus executives for significant growth in shareholder value, are in the best interests of shareholders.

Other Benefits. Executives receive other benefits that serve a different purpose than the elements of compensation discussed above. In general, these benefits provide retirement income and protection against catastrophic events such as illness, disability and death. Executives generally receive the same benefits offered to the employee population, with the only exceptions designed to promote tax efficiency or to replace other benefits lost due to regulatory limits. The Synovus/TSYS Profit Sharing Plan and the Synovus/TSYS 401(k) Savings Plan, including an excess benefit plan which replaces benefits lost due to regulatory limits (collectively the "Plan"), is the largest component of Synovus' benefits package for executives. The Plan is directly related to the performance of Synovus because the contributions to the Plan, up to a maximum of 14% of an executive's compensation, depend upon Synovus' profitability. For 2000, Mr. Blanchard

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and Synovus' other executive officers received a Plan contribution of three percent of their compensation, based upon the Plan's profitability formula. The remaining benefits provided to executives are primarily based upon the competitive practices of similar companies.

The Internal Revenue Code limits the deductibility for federal income tax purposes of annual compensation paid by a publicly held corporation to its chief executive officer and four other highest paid executives for amounts in excess of $1 million, unless certain conditions are met. Because the Committee seeks to maximize shareholder value, the Committee has taken steps to ensure that any compensation paid to its executives in excess of $1 million is deductible. When necessary to meet the requirements for deductibility under the Internal Revenue Code, members of the Committee may abstain from voting on performance based compensation. For 2000, Messrs. Blanchard and Yancey would have been affected by this provision, but for the steps taken by the Committee. The Committee reserves the ability to make awards which do not qualify for full deductibility under the Internal Revenue Code, however, if the Committee determines that the benefits of doing so outweigh full deductibility.

The Committee believes that its executive compensation program serves the best interests of the shareholders of Synovus. As described above, a substantial portion of the compensation of Synovus' executives is directly related to Synovus' performance. The Committee believes that the performance of Synovus to date validates its compensation philosophy.

The Compensation Committee

Gardiner W. Garrard, Jr.
Mason H. Lampton
V. Nathaniel Hansford

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Gardiner W. Garrard, Jr., Mason H. Lampton and V. Nathaniel Hansford served as members of Synovus' Compensation Committee during 2000. No member of the Committee is a current or former officer of Synovus or its subsidiaries.

On May 18, 2000, Synovus, Garrard & Jordan Investments, LLC and Gardiner W. Garrard, III, together with an unrelated individual, formed Total Technology Ventures, LLC ("TTV"), a Georgia limited liability company, for the purpose of providing certain administrative services to Total Technology Partners, L.P., a venture capital fund formed in February 2001 (the "Fund"). Garrard & Jordan Investments, LLC was formed by The Jordan Company to invest in TTV. Gardiner W. Garrard, Jr., a director of Synovus, TSYS and Columbus Bank, owns 40% of the outstanding stock of The Jordan Company and serves as its President, and his wife and son, Gardiner W. Garrard, III, each own 4% of its outstanding stock.

Pursuant to the organizational documents of TTV, Synovus, Garrard & Jordan Investments, LLC and Gardiner W. Garrard, III made initial capital commitments to TTV in the respective amounts of $1,200,000, $400,000 and $200,000. As of the date hereof, 75% of the total capital commitments to TTV have been funded. Synovus, Garrard & Jordan Investments, LLC and Gardiner W. Garrard, III hold the following percentage interests in TTV: 60%, 20% and 10%, respectively. Synovus serves as the manager of TTV. Gardiner W. Garrard, III has responsibility for the day-to-day operations of TTV.

Synovus has made a capital commitment of $25 million to the Fund, which currently represents an 83% interest in the Fund, and will receive a 5% carried interest in the Fund. The Fund will be managed by Total Technology Associates, LLC, its general partner (the "General

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Partner"), an entity in which Gardiner W. Garrard, III will own approximately 33%. The General Partner will receive a 15% carried interest in the Fund. The General Partner has entered into an agreement with TTV pursuant to which TTV will provide certain administrative services to the General Partner and advance certain amounts to the General Partner in return for a fee which will approximate the cost of the services and an 18% return on advances.

In May 2000 and August 2000, respectively, Synovus invested on behalf of the Fund an aggregate of $5,500,000. Synovus has agreed that these investments will be sold to the Fund at a price equal to the total cost of the investments (including transaction costs), plus a carrying cost of 8% per annum. The terms of the transactions are comparable to those between unrelated third parties.

TRANSACTIONS WITH MANAGEMENT

During 2000, the subsidiary banks of Synovus had outstanding loans directly to or indirectly accruing to the benefit of certain of the then directors and executive officers of Synovus, and their related interests. These loans were made in the ordinary course of business and were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others. In the opinion of Synovus' management, such loans do not involve more than normal risks of collectibility or present other unfavorable features. In the future, the subsidiary banks of Synovus expect to have banking transactions in the ordinary course of business with Synovus' directors, executive officers and their related interests.

Synovus Service Corp., formerly a wholly owned subsidiary of Synovus, and a subsidiary of TSYS leased various properties in Columbus, Georgia from W.C. Bradley Co. for office space and storage during 2000. The rent paid for the space by Synovus Service Corp., which is approximately 35,400 square feet, was approximately $93,678. The rent paid for the space by TSYS' subsidiary, which is approximately 9,558 square feet, was approximately $53,892. The lease agreements were made on substantially the same terms as those prevailing at the time for comparable leases for similar facilities with an unrelated third party in Columbus, Georgia.

Columbus Bank 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. Columbus Bank 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. Columbus Bank paid an aggregate sum of $2,571,827 for use of the aircraft during 2000 pursuant to the terms of the Joint Ownership Agreement. This amount represents the charges incurred by Columbus Bank and its affiliated corporations for use of the aircraft, and includes $1,274,764 for TSYS' use of the aircraft, for which Columbus Bank was reimbursed by TSYS.

TB&C Bancshares, Inc. is a principal shareholder of Synovus. TB&C Bancshares is a "family bank holding company" organized by William B. Turner, and his sisters, Sarah T. Butler and Elizabeth T. Corn. Until recently, TB&C Bancshares was a party to a lease agreement pursuant to which it leased voting and certain other rights in a total of 13,311,843 shares of Synovus stock held in trust by Synovus Trust Company, a subsidiary of Columbus Bank, as Trustee of three trusts for the benefit of Mr. Turner, Mrs. Butler and Mrs. Corn and their respective descendants. During 2000, TB&C Bancshares paid Synovus Trust Company, as Trustee, $1,191,539 pursuant to the terms of the lease agreement, which amount represents the fair market value of the voting rights as determined by an independent appraiser. For family financial planning reasons relating to the TB&C shareholders, this lease agreement was cancelled on January 22, 2001. In connection with such family planning and to simplify the ownership structure of Synovus, TB&C Bancshares and Synovus, upon the approval of their respective Boards of Directors and the Synovus Audit Committee, entered into an agreement on February 16, 2001,

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under which the 14,309,182 shares of Synovus stock owned by TB&C would be acquired by Synovus in a tax-free exchange for an equal number of shares of such stock, which would be distributed in liquidation to the TB&C shareholders. This transaction is not subject to Synovus shareholder approval, but is subject to numerous conditions, including receipt of a satisfactory private letter ruling from the Internal Revenue Service, and there is no assurance these conditions will be satisfied. William B. Turner, Chairman of the Executive Committee of Synovus and Columbus Bank and a director of TSYS, is an advisory director and shareholder of W.C. Bradley Co. and is an officer, director and (together with his wife) a shareholder of TB&C Bancshares. James H. Blanchard, Chairman of the Board of Synovus, Chairman of the Executive Committee of TSYS and a director of Columbus Bank, is a director of W.C. Bradley Co. Elizabeth C. Ogie, the niece of William B. Turner, is a director of W.C. Bradley Co., Columbus Bank and Synovus and is an officer, director and shareholder of TB&C Bancshares. W. Walter Miller, Jr., the brother-in-law of Elizabeth C. Ogie, is a director of W.C. Bradley Co. and Group Executive and a director of TSYS. Stephen T. Butler, the nephew of William B. Turner, is an officer and director of W.C. Bradley Co., an officer, director and shareholder of TB&C Bancshares and is a director of Columbus Bank. W.B. Turner, Jr., the son of William B. Turner, is an officer and director of W.C. Bradley Co., an officer, director and shareholder of TB&C Bancshares and a director of Columbus Bank. John T. Turner, the son of William B. Turner, is an officer and director of W.C. Bradley Co., a shareholder of TB&C

Bancshares and a director of Columbus Bank. Sarah T. Butler and Elizabeth T. Corn, the sisters of William B. Turner, are shareholders of W.C. Bradley Co., are officers, directors and (together with their husbands) shareholders of TB&C Bancshares and may be deemed to be principal shareholders of Synovus as a result of their relationship with TB&C Bancshares.

Bradley & Hatcher, a law firm located in Columbus, Georgia, was paid approximately $36,000 for the performance of legal services on behalf of certain of Synovus' subsidiaries during 2000. Richard Y. Bradley, a director of Synovus, Columbus Bank and TSYS, is a partner of Bradley & Hatcher.

For information about transactions with entities that are affiliates of Gardiner W. Garrard, Jr., a director of Synovus, see "Compensation Committee Interlocks and Insider Participation" immediately above.

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, 2000 (subject to note (3)).

Name and Address of Beneficial Owner	Shares of Synovus Stock Beneficially Owned as of 12/31/00	Percentage of Outstanding Shares of Synovus Stock Beneficially Owned as of 12/31/00
Synovus Trust Company 1148 Broadway Columbus, Georgia 31901	35,563,014(1)	12.5%
TB&C Bancshares, Inc.(2) 1017 Front Avenue Columbus, Georgia 31901	27,621,025	10.0
William B. Turner(2) P.O. Box 120 Columbus, Georgia 31902	30,282,293(3)(4)	10.6

Name and Address of Beneficial Owner	Shares of Synovus Stock Beneficially Owned as of 12/31/00	Percentage of Outstanding Shares of Synovus Stock Beneficially Owned as of 12/31/00
Sue Marie Turner(2) P.O. Box 120 Columbus, Georgia 31902	16,897,204(3)(4)	5.9
Sarah T. Butler(2) P.O. Box 120 Columbus, Georgia 31902	30,347,646(3)(5)	10.7
Clarence C. Butler(2) P.O. Box 120 Columbus, Georgia 31902	17,035,803(3)(5)	6.0
Elizabeth T. Corn(2) P.O. Box 120 Columbus, Georgia 31902	30,743,119(3)(6)	10.8
Lovick P. Corn(2) P.O. Box 120	17,431,276(3)(6)	6.1

Columbus, Georgia 31901		
W.B. Turner, Jr.(2) P.O. Box 120 Columbus, Georgia 31902	30,279,671(3)(7)	10.6
Stephen T. Butler(2) P.O. Box 120 Columbus, Georgia 31902	30,300,452(3)(8)	10.6
Elizabeth C. Ogie(2) P.O. Box 120 Columbus, Georgia 31902	30,410,897(3)(9)	10.7

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(1) As of December 31, 2000, the banking and trust company subsidiaries of Synovus, including Columbus Bank through its wholly owned subsidiary Synovus Trust Company, held in various fiduciary capacities a total of 37,370,074 shares of Synovus stock as to which they possessed sole or shared voting or investment power. Of this total, Synovus Trust Company held 20,799,785 shares as to which it possessed sole investment power, 20,443,304 shares as to which it possessed sole voting power, 825,336 shares as to which it possessed shared voting power and 14,272,920 shares as to which it possessed shared investment power at year end subject to the changes described in note (3). The other banking and trust subsidiaries of Synovus held 1,042,735 shares as to which they possessed sole voting power, 1,074,705 shares as to which they possessed sole investment power, 499,258 shares as to which they possessed shared voting power and 594,828 shares as to which they possessed shared investment power. In addition, as of December 31, 2000, Synovus Trust Company and the banking and trust subsidiaries of Synovus held in various agency capacities an additional 21,617,738 and 622,592 shares, respectively (a total of 22,240,330), of Synovus stock as to which they possessed no voting or investment power. Synovus and its subsidiaries disclaim beneficial ownership of all shares of Synovus stock which are held by them in various fiduciary and agency capacities.

(2) TB&C Bancshares, Inc. is a "family bank holding company" organized by William B. Turner (the Chairman of Synovus' Executive Committee) and his sisters, Sarah T. Butler and Elizabeth T. Corn.

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The six directors of TB&C Bancshares, Mr. Turner, Mmes. Butler and Corn, Elizabeth C. Ogie (the daughter of Mrs. Corn), Stephen T. Butler (the son of Mrs. Butler), and William B. Turner, Jr. (the son of Mr. Turner), are each shown as the beneficial owners of the 27,621,025 shares of Synovus stock beneficially owned by TB&C Bancshares at year end and subject to the changes described in note (3). As Mrs. Turner, Mr. Butler and Mr. Corn are each principal shareholders of TB&C Bancshares, each of them may be deemed to share certain investment power as to the 14,309,182 shares of Synovus stock owned directly by TB&C Bancshares.

(3) Includes 14,309,182 shares of Synovus stock individually owned by TB&C Bancshares; 2,568,205 shares held by a charitable foundation of which each of the directors of TB&C Bancshares (as well as each of Mrs. Turner, Mr. Butler and Mr. Corn) is a trustee; in the case of Mr. and Mrs. Corn and Mrs. Ogie, 127,095 shares of Synovus stock held by a charitable foundation of which Mr. and Mrs. Corn and Mrs. Ogie are trustees; and in the case of each of the directors of TB&C Bancshares 13,311,843 shares of Synovus stock beneficially owned by TB&C Bancshares at year end pursuant to a lease

agreement between TB&C Bancshares and Synovus Trust Company as Trustee of three trusts for the benefit of Mr. Turner, Mrs. Butler and Mrs. Corn and their respective descendants. On January 22, 2001, TB&C Bancshares cancelled the lease agreement under which it had leased voting and certain other rights from Synovus Trust Company as Trustee with respect to the 13,311,843 shares (4.67%) of Synovus stock held in these three trusts. As a result, no principal shareholder, other than Synovus Trust Company as Trustee, continues to have any beneficial ownership as a result of sharing voting or investment power as to these shares, but each of Mr. Turner, Mrs. Butler and Mrs. Corn and their respective descendants are the beneficiaries of one of these trusts, each of which holds 4,437,281 shares (1.56%) of Synovus stock.

(4) In addition to the shares of Synovus stock described in footnote 3 above, Mr. Turner possessed sole voting and investment power with respect to 72,634 shares and shared voting and investment power with respect to 19,817 shares of Synovus stock and Mrs. Turner possessed shared voting and investment power with respect to 19,817 shares of Synovus stock.

(5) In addition to the shares of Synovus stock described in footnote 3 above, Mr. and Mrs. Butler possessed shared voting and investment power with respect to 158,416 shares of Synovus stock.

(6) In addition to the shares of Synovus stock described in footnote 3 above, Mr. and Mrs. Corn possessed shared voting and investment power with respect to 426,794 shares of Synovus stock.

(7) In addition to the shares of Synovus stock described in footnote 3 above, Mr. Turner possessed sole voting and investment power with respect to 74,800 shares and shared voting and investment power with respect to 15,641 shares of Synovus stock.

(8) In addition to the shares of Synovus stock described in footnote 3 above, Mr. Butler possesssed sole voting and investment power with respect to 106,278 shares and shared voting and investment power with respect to 4,944 shares of Synovus stock.

(9) In addition to the shares of Synovus stock described in footnote 3 above, Mrs. Ogie possessed sole voting and investment power with respect to 62,105 shares and shared voting or investment power with respect to 32,467 shares of Synovus stock.

RELATIONSHIPS BETWEEN SYNOVUS, COLUMBUS BANK, TSYS AND CERTAIN OF SYNOVUS' SUBSIDIARIES AND AFFILIATES

BENEFICIAL OWNERSHIP OF TSYS STOCK BY COLUMBUS BANK

The following table sets forth, the number of shares of TSYS stock beneficially owned by Columbus Bank, the only known beneficial owner of more than 5% of the issued and outstanding shares of TSYS stock, as of December 31, 2000.

	Shares of TSYS Stock	Percentage of Outstanding Shares of TSYS Stock

Name and Address of Beneficial Owner	Beneficially Owned as of 12/31/00	Beneficially Owned as of 12/31/00
Columbus Bank and Trust Company 1148 Broadway Columbus, Georgia 31901	157,455,980(1)(2)	80.9%

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(1) Columbus Bank individually owns these shares.

(2) As of December 31, 2000, Synovus Trust Company held in various fiduciary capacities a total of 1,625,550 shares (.83%) of TSYS stock. Of this total, Synovus Trust Company held 1,310,464 shares as to which it possessed sole voting power, 1,269,825 shares as to which it possessed sole investment power, 268,665 shares as to which it possessed shared voting power and 275,535 shares as to which it possessed shared investment power. In addition, as of December 31, 2000, Synovus Trust Company held in various agency capacities an additional 2,108,339 shares of TSYS stock as to which it possessed no voting or investment power. Synovus and Synovus Trust Company disclaim beneficial ownership of all shares of TSYS stock which are held by Synovus Trust Company in various fiduciary and agency capacities.

Columbus Bank, by virtue of its ownership of 157,455,980 shares, or 80.9% of the outstanding shares of TSYS stock on December 31, 2000, presently controls TSYS. Synovus presently controls Columbus Bank.

INTERLOCKING DIRECTORATES OF SYNOVUS, COLUMBUS BANK AND TSYS

Seven of the members of and nominees to serve on Synovus' Board of Directors also serve as members of the Boards of Directors of TSYS and Columbus Bank. They are James H. Blanchard, Richard Y. Bradley, Gardiner W. Garrard, Jr., John P. Illges, III, H. Lynn Page, William B. Turner and James D. Yancey. Elizabeth C. Ogie serves as a member of the Board of Directors of Columbus Bank and Alfred W. Jones III serves as a member of the Board of Directors of TSYS. Mason H. Lampton serves on the Board of Directors of TSYS and as an Advisory Director of Columbus Bank.

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, by each executive officer named in the Summary Compensation Table on page 13 and by all directors and executive officers as a group as of December 31, 2000.

Name	Shares of TSYS Stock Beneficially Owned with Sole Voting and Investment Power as of 12/31/00	Shares of TSYS Stock Beneficially Owned with Shared Voting and Investment Power as of 12/31/00	Total Shares of TSYS Stock Beneficially Owned as of 12/31/00	Perc Ou T Ben Ow

Richard E. Anthony	-----	-----	-----
Joe E. Beverly	-----	-----	-----
James H. Blanchard	784,812	360,480	1,145,292
Richard Y. Bradley	23,025	5,000	28,025
Walter M. Deriso, Jr.	3,829	3,929	7,758
C. Edward Floyd, M.D.	-----	-----	-----
Gardiner W. Garrard, Jr.	15,227	-----	15,227
G. Sanders Griffith, III	19,422(1)	-----	19,422
V. Nathaniel Hansford	-----	1,556	1,556
John P. Illges, III	105,169	81,750	186,919
Alfred W. Jones III	-----	-----	-----
Mason H. Lampton	40,985	104,234(2)	145,219
Elizabeth C. Ogie	7,200	46,095	53,295
H. Lynn Page	323,285	328,808	652,093
Robert V. Royall	60,000	-----	60,000
Melvin T. Stith	-----	-----	-----
William B. Turner	163,309	576,000	739,309
James D. Yancey	778,039	24,000	802,039
Directors and Executive Officers as a Group (22 persons)	2,343,057	1,531,852	3,874,909

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

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(1) Includes 16,734 shares of TSYS stock with respect to which Mr. Griffith has no investment power.

(2) Includes 28,800 shares of TSYS stock held in a trust for which Mr. Lampton is not the trustee. Mr. Lampton disclaims beneficial ownership of such shares.

TRANSACTIONS AND AGREEMENTS BETWEEN SYNOVUS, COLUMBUS BANK, TSYS AND CERTAIN OF SYNOVUS' SUBSIDIARIES

During 2000, Columbus Bank and certain of Synovus' other banking subsidiaries received bankcard data processing services from TSYS. The bankcard data processing agreement between Columbus Bank and TSYS can be terminated by Columbus Bank upon 60 days prior written notice to TSYS or terminated by TSYS upon 180 days prior written notice to Columbus Bank. During 2000, TSYS derived $12,281,914 in revenues from Columbus Bank and certain of Synovus' other banking subsidiaries for the performance of bankcard data processing services and $256,126 in revenues from Synovus and its subsidiaries for the performance of other data processing services. TSYS' charges to Columbus Bank and Synovus' other banking subsidiaries for bankcard and other data processing services are comparable to, and are determined on the same basis as, charges by TSYS to similarly situated unrelated third parties.

Synovus Service Corp., formerly a wholly owned subsidiary of Synovus, provided various services to Synovus' subsidiary companies during 2000, including TSYS. TSYS and Synovus Service Corp. were parties to a Lease Agreement pursuant to which Synovus Service Corp. leased from TSYS office space for lease payments aggregating $197,597 during 2000. Synovus Service

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Corp. also paid TSYS $63,806 during 2000 for data processing services. The terms of these transactions are comparable to those which could have been obtained in transactions with unaffiliated third parties.

During 2000, Synovus and TSYS, and Synovus Service Corp. and TSYS, were parties to Management Agreements pursuant to which Synovus and Synovus Service Corp. provided certain management services to TSYS. During 2000, 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 2000, TSYS paid Synovus and Synovus Service Corp. management fees of $1,703,840 and $8,070,260, respectively. In addition, Synovus and TSYS are parties to Management Agreements pursuant to which TSYS provided management services to Synovus in connection with TSYS' assistance in managing the businesses of ProCard, Inc. and TSYS Total Debt Management, Inc., both of which are wholly owned subsidiaries of Synovus. As compensation for management services provided during 2000, Synovus paid TSYS management fees of $504,967 in connection with TSYS Total Debt Management, Inc. and $176,544 in connection with ProCard, Inc. Management fees are subject to future adjustments based upon charges at the time by unrelated third parties for comparable services.

During 2000, Synovus Trust Company served as trustee of various employee benefit plans of TSYS. During 2000, TSYS paid Synovus Trust Company trustee's fees under these plans of $391,414.

During 2000, Columbus Depot Equipment Company, a wholly owned subsidiary of TSYS, and Columbus Bank and 9 of Synovus' other subsidiaries were parties to Lease Agreements pursuant to which Columbus Bank and 9 of Synovus' other subsidiaries leased from Columbus Depot Equipment Company computer related equipment for bankcard and bank data processing services for lease payments aggregating $64,004. The terms, conditions and rental rates provided for in these Agreements are comparable to corresponding terms, conditions and rates provided for in leases of similar equipment offered by unrelated third parties.

During 2000, Synovus Technologies, Inc., formerly a wholly owned subsidiary of Synovus, paid TSYS $118,322 for data links, network services and other miscellaneous items related to the data processing services which Synovus Technologies provides to its customers, which amount was reimbursed to Synovus Technologies by its customers. During 2000, Synovus Technologies paid TSYS $24,900 primarily for computer processing services. During 2000, TSYS paid Synovus Technologies $1,688,676 for lockbox services. The charges for processing and other services are comparable to those between unrelated third parties.

During 2000, pointpathbank, N.A., a wholly owned subsidiary of Synovus, paid DotsConnect, Inc. $514,640 in connection with Web hosting services and Columbus Bank paid DotsConnect $30,867 in connection with online customer support services. The charges paid for these services are comparable to those between unrelated third parties.

During 2000, Synovus, Columbus Bank and other Synovus subsidiaries paid to Columbus Productions, Inc. and TSYS Total Solutions, Inc., wholly owned subsidiaries of TSYS, an aggregate of $6,529,779 for printing, correspondence and facilities management services. The charges for these services are comparable to those between unrelated third parties.

During 2000, Columbus Bank leased office space from TSYS for lease payments of $39,405. During 2000, TSYS and its subsidiaries were paid $4,772,461 of interest by Columbus Bank in connection with deposit accounts with, and commercial paper purchased from, Columbus Bank. The lease payments and interest rates are comparable to those in transactions between unrelated third parties.

TSYS has entered into an agreement with Columbus Bank with respect to the use of aircraft owned or leased by Columbus Bank and W.C.B. Air L.L.C. Columbus Bank and W.C.B.Air are parties to a Joint Ownership Agreement pursuant to which they jointly own or lease aircraft. TSYS paid Columbus Bank $1,274,764 for its use of the aircraft during 2000. The charges payable by TSYS to Columbus Bank in connection with its use of this aircraft approximate charges available to unrelated third parties in the State of Georgia for use of comparable aircraft for commercial purposes.

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.

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, 2000 all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with, except that Mr. Garrard reported eight gifts on one late Form 5 report.

INDEPENDENT AUDITORS

APPOINTMENT OF INDEPENDENT AUDITORS

On March 8, 2001, Synovus' Board of Directors appointed KPMG LLP as the independent auditors to audit the consolidated financial statements of Synovus and its subsidiaries for the fiscal year ending December 31, 2001. The Board of Directors knows of no direct or material indirect financial interest by KPMG in Synovus or any of its subsidiaries, or of any connection between KPMG and Synovus or any of its subsidiaries, in any capacity as promoter, underwriter, voting trustee, director, officer, shareholder or employee.

Representatives of KPMG will be present at Synovus' 2001 Annual Meeting with the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

FEES

The following table sets forth the aggregate fees billed to Synovus in the identified categories for the fiscal year ended December 31, 2000 by KPMG.

Audit Fees	Financial Information Systems Design and Implementation Fees	All other Fees
$727,000 (1)	$ 0	$1,157,000 (2)

(1) Amount includes fees for a stand alone audit of TSYS by KPMG.
(2) Amount includes fees for services, other than audit, provided to TSYS by KPMG.

The Audit Committee has considered whether the provision of services to Synovus, other than audit services, is compatible with maintaining KPMG's independence.

GENERAL INFORMATION

FINANCIAL INFORMATION

Consolidated financial statements for Synovus and its subsidiaries are attached as a Financial Appendix to this Proxy Statement and are included in the Annual Report on Form 10-K as filed with the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. A copy of the 2000 Form 10-K (excluding exhibits) will be furnished, without charge, by writing to the Corporate Secretary, Synovus Financial Corp., 901 Front Avenue, Suite 301, Columbus, Georgia 31901.

SHAREHOLDER PROPOSALS FOR THE 2002 PROXY STATEMENT

Any shareholder satisfying the Securities and Exchange Commission requirements and wishing to submit a proposal to be included in the Proxy Statement for the 2002 Annual Meeting of Shareholders should submit the proposal in writing to the Secretary, Synovus Financial Corp., 901 Front Avenue, Suite 301, Columbus, Georgia 31901. Synovus must receive a proposal by November 16, 2001 in order to consider it for inclusion in the Proxy Statement for the 2002 Annual Meeting of Shareholders.

DIRECTOR NOMINEES OR OTHER BUSINESS FOR PRESENTATION AT THE ANNUAL MEETING

Shareholders who wish to present director nominations or other business at the Annual Meeting are required to notify the Secretary of their intent between December 16, 2001 and January 30, 2002 and the notice must provide information as required in the bylaws, or the persons appointed as proxies may exercise their discretionary voting authority with respect to the proposal. A copy of these bylaw requirements will be provided upon request in writing to the Secretary, Synovus Financial Corp., 901 Front Avenue, Suite 301, Columbus, Georgia 31901. This requirement does not apply to the deadline for submitting shareholder proposals for inclusion in the Proxy Statement (see "Shareholder Proposals for the 2002 Proxy Statement" above), nor does it apply to questions a shareholder may wish to ask at the meeting.

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.

HOUSEHOLDING

The Securities and Exchange Commission recently adopted amendments to its proxy rules which 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 2001 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 2001 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.

/s/James H. Blanchard
JAMES H. BLANCHARD
Chairman of the Board

March 15, 2001

APPENDIX A

SYNOVUS FINANCIAL CORP.

Charter of the Audit Committee of the Board of Directors

I. Audit Committee Purpose

The Audit Committee is appointed by the Board of Directors to assist it in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Monitor the quality and integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting, regulatory and legal compliance.

- Monitor the independence and performance of the Company's independent auditors and internal auditing activities.

- Provide an avenue of communication among the independent auditors, management, internal audit, and the Board of Directors.

The primary responsibility of the Audit Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of their activities to the Board. Management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing those financial statements. The Committee will recommend actions to the Board of Directors as the Committee deems appropriate. The Committee will undertake such additional activities within the scope of its primary functions as the Committee deems appropriate.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

II. Audit Committee Composition

Audit Committee members shall meet the requirements of the New York Stock Exchange. The Audit Committee shall be comprised of three or more directors as determined by the Board of Directors, each of whom shall be independent directors, free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Committee shall have accounting or related financial management expertise.

III. Audit Committee Responsibilities and Duties

Review Procedures

1. The Audit Committee shall review and reassess the adequacy of this Charter at least annually, submit the Charter to the Board of Directors for approval and include a copy of the Charter as an appendix to the Company's proxy statement at least every three years, in accordance with SEC regulations.

2. The Audit Committee shall review the Company's annual audited financial statements prior to filing or distribution and discuss with management and the independent auditors any significant issues regarding accounting principles, practices, and judgments.

3. The Audit Committee shall review significant findings prepared by the independent auditors and internal audit, together with management's responses.

Independent Auditors

4. The independent auditors are ultimately accountable to the Audit Committee and the Board of Directors. The Audit Committee and the Board of Directors are responsible for selection, evaluation and replacement of the independent auditors. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.

5. The Audit Committee is responsible for ensuring that the outside auditors submit on a periodic basis to the Audit Committee a formal written statement delineating all relationships between the auditors and the Company and is responsible for actively engaging in a dialogue with the

outside auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the outside auditors. The Audit Committee is responsible for recommending that the Board of Directors take appropriate action in response to the outside auditors' report to satisfy itself of the outside auditors' independence.

6. The Audit Committee shall approve the fees and other significant compensation to be paid to the independent auditors.

7. The Audit Committee shall review the independent auditors' audit plan, including discussion of the scope, staffing, reliance upon management, and internal audit and general audit approach.

8. Prior to the Company filing its Annual Report on Form 10-K with the SEC, the Audit Committee shall discuss the results of the audit with the independent auditors, and shall discuss certain matters required to be communicated by independent auditors to audit committees in accordance with AICPA Statement of Auditing Standards No. 61.

Internal Audit

9. The Audit Committee shall review the budget, plan, organizational structure, and staffing of internal audit.

10. The Audit Committee shall review significant reports prepared by internal audit together with management's response and follow-up to these reports.

Other Audit Committee Responsibilities

11. The Audit Committee shall review the appointment, performance and replacement of the senior internal audit executive.

12. The Audit Committee shall annually prepare a report to shareholders as required by the Securities and Exchange Commission. The report should be included in the Company's annual proxy statement.

FINANCIAL APPENDIX [LOGO]

[SYNOVUS FINANCIAL CORP. LOGO]

CONSOLIDATED BALANCE SHEETS [LOGO]

(In thousands, except share data)

DECEMBER 31,
ASSETS
Cash and due from banks, including $10,017 and $3,783 in 2000 and 1999, respectively, on deposit to meet Federal Reserve requirements ....
Interest earning deposits with banks ....
Federal funds sold ....
Mortgage loans held for sale ....
Investment securities available for sale (note 3) ....
Investment securities held to maturity (fair value of $275,233 and $273,504 in 2000 and 1999, respectively) (note 3) ....
Loans, net of unearned income (note 4) ....
Allowance for loan losses (note 4) ....
Loans, net ....
Premises and equipment, net (note 7) ....
Other assets (note 5) ....
Total assets ....
LIABILITIES AND SHAREHOLDERS' EQUITY
Liabilities:
Deposits (note 6):
Non-interest bearing ....
Interest bearing ....
Total deposits ....
Federal funds purchased and securities sold under agreement to repurchase (note 7) ....
Long-term debt (note 7) ....
Other liabilities (notes 12, 13, and 15) ....
Total liabilities ....

Minority interest in consolidated subsidiaries	
Shareholders' equity (notes 2, 3, 11, and 13):	
Common stock -- $1.00 par value. Authorized 600,000,000 shares; issued 284,818,042 in 2000 and 282,189,425 in 1999; outstanding 284,642,778 in 2000 and 282,014,161 in 1999	
Surplus	
Treasury stock -- 175,264 shares	
Unamortized restricted stock	
Accumulated other comprehensive income (loss)	
Retained earnings	
Total shareholders' equity	
Commitments and contingencies (note 10)	
Total liabilities and shareholders' equity	

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME [LOGO]

(In thousands, except per share data)

YEARS ENDED DECEMBER 31,	2000
Interest income:	
Loans, including fees	$ 956,57
Investment securities:	
U.S. Treasury and U.S. Government agencies	83,52
Mortgage-backed securities	30,33
State and municipal	9,94
Other investments	3,42
Mortgage loans held for sale	8,09
Federal funds sold	5,73
Interest earning deposits with banks	16
Total interest income	1,097,80
Interest expense:	
Deposits (note 6)	420,17
Federal funds purchased and securities sold under agreement to repurchase ..	78,44
Long-term debt	36,85
Total interest expense	535,47
Net interest income	562,33
Provision for losses on loans (note 4)	44,34
Net interest income after provision for losses on loans	517,99

Non-interest income:	
Data processing services	559,30
Service charges on deposit accounts	76,00
Fees for trust services	22,20
Brokerage revenue	16,06
Mortgage banking income	21,74
Credit card fees	19,12
Securities gains, net (note 3)	78
Other operating income (note 18)	118,28
Total non-interest income	833,51
Non-interest expense:	
Salaries and other personnel expense (notes 12 and 13)	495,47
Net occupancy and equipment expense (notes 5 and 10)	225,67
Other operating expenses (note 18)	202,12
Total non-interest expense	923,27
Minority interest in subsidiaries' net income	16,49
Income before income taxes	411,73
Income tax expense (note 15)	149,17
Net income	$ 262,55
Net income per share (notes 9 and 13):	
Basic	$ .9
Diluted	.9
Weighted average shares outstanding (notes 9 and 13):	
Basic	283,55
Diluted	286,88

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY [LOGO]

(In thousands, except per share data)

YEARS ENDED DECEMBER 31, 2000, 1999, AND 1998	SHARES ISSUED	COMMON STOCK
Balance at December 31, 1997	270,324	$ 270,32
Net income	--	-
Other comprehensive income, net of tax (note 8):		
Change in unrealized gains/losses on investment securities available for sale, net of reclassification adjustment	--	-
Gain on foreign currency translation	--	-
Other comprehensive income	--	-
Comprehensive income	--	-
Issuance of common stock for acquisitions (note 2)	6,436	6,43
Cash dividends declared -- $.29 per share	--	-
Cash dividends of pooled subsidiaries prior to acquisition	--	-
Amortization of restricted stock (note 13)	--	-
Stock options exercised (note 13)	2,050	2,05
Stock option tax benefit	--	-
Treasury stock purchased by subsidiary prior to acquisition	--	-
Ownership change at majority-owned subsidiary	--	-
Fractional shares for stock split	(3)	(
Commitment of stock donation to charitable foundation	--	-
Balance at December 31, 1998	278,807	278,80
Net income	--	-
Other comprehensive loss, net of tax (note 8):		
Change in unrealized gains/losses on investment securities available for sale, net of reclassification adjustment	--	-
Loss on foreign currency translation	--	-
Other comprehensive loss	--	-
Comprehensive income	--	-
Issuance of common stock for acquisitions (note 2)	2,325	2,32
Issuance of treasury stock for purchase acquisition (note 2)	--	-
Cash dividends declared -- $.36 per share	--	-
Cash dividends of pooled subsidiaries prior to acquisition	--	-
Amortization of restricted stock (note 13)	--	-
Stock options exercised (note 13)	1,150	1,15
Stock option tax benefit	--	-
Retirement of subsidiary's treasury stock upon acquisition	(93)	(9
Ownership change at majority-owned subsidiary	--	-
Commitment of stock donation to charitable foundation	--	-
BALANCE AT DECEMBER 31, 1999	282,189	282,18
NET INCOME	--	-
OTHER COMPREHENSIVE INCOME, NET OF TAX (NOTE 8):		
CHANGE IN UNREALIZED GAINS/LOSSES ON INVESTMENT SECURITIES AVAILABLE FOR SALE, NET OF RECLASSIFICATION ADJUSTMENT	--	-
LOSS ON FOREIGN CURRENCY TRANSLATION	--	-
OTHER COMPREHENSIVE INCOME	--	-

COMPREHENSIVE INCOME	--	-
ISSUANCE OF COMMON STOCK FOR ACQUISITION (NOTE 2)	1,415	1,41
CASH DIVIDENDS DECLARED - $.44 PER SHARE	--	-
AMORTIZATION OF RESTRICTED STOCK (NOTE 13)	--	-
STOCK OPTIONS EXERCISED (NOTE 13)	1,209	1,20
ISSUANCE OF RESTRICTED STOCK	5	
STOCK OPTION TAX BENEFIT	--	-
OWNERSHIP CHANGE AT MAJORITY-OWNED SUBSIDIARY	--	-
BALANCE AT DECEMBER 31, 2000	284,818	$ 284,81

YEARS ENDED DECEMBER 31, 2000, 1999, AND 1998	UNAMORTIZED RESTRICTED STOCK	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
Balance at December 31, 1997	(3,734)	5,924
Net income	--	--
Other comprehensive income, net of tax (note 8):		
Change in unrealized gains/losses on investment securities available for sale, net of reclassification adjustment	--	4,450
Gain on foreign currency translation	--	1
Other comprehensive income	--	--
Comprehensive income	--	--
Issuance of common stock for acquisitions (note 2)	--	100
Cash dividends declared -- $.29 per share	--	--
Cash dividends of pooled subsidiaries prior to acquisition	--	--
Amortization of restricted stock (note 13)	1,189	--
Stock options exercised (note 13)	--	--
Stock option tax benefit	--	--
Treasury stock purchased by subsidiary prior to acquisition	--	--
Ownership change at majority-owned subsidiary	--	--
Fractional shares for stock split	--	--
Commitment of stock donation to charitable foundation	--	--
Balance at December 31, 1998	(2,545)	10,475
Net income	--	--
Other comprehensive loss, net of tax (note 8):		
Change in unrealized gains/losses on investment securities available for sale, net of reclassification adjustment	--	(39,913)
Loss on foreign currency translation	--	(223)
Other comprehensive loss	--	--
Comprehensive income	--	--
Issuance of common stock for acquisitions (note 2)	--	(473)
Issuance of treasury stock for purchase acquisition (note 2)	--	--
Cash dividends declared -- $.36 per share	--	--
Cash dividends of pooled subsidiaries prior to acquisition	--	--
Amortization of restricted stock (note 13)	1,252	--
Stock options exercised (note 13)	--	--
Stock option tax benefit	--	--
Retirement of subsidiary's treasury stock upon acquisition	--	--

Ownership change at majority-owned subsidiary	--	--
Commitment of stock donation to charitable foundation	--	--
BALANCE AT DECEMBER 31, 1999	(1,293)	(30,134)
NET INCOME	--	--
OTHER COMPREHENSIVE INCOME, NET OF TAX (NOTE 8):		
CHANGE IN UNREALIZED GAINS/LOSSES ON INVESTMENT SECURITIES AVAILABLE FOR SALE, NET OF RECLASSIFICATION ADJUSTMENT	--	36,199
LOSS ON FOREIGN CURRENCY TRANSLATION	--	(129)
OTHER COMPREHENSIVE INCOME	--	--
COMPREHENSIVE INCOME	--	--
ISSUANCE OF COMMON STOCK FOR ACQUISITION (NOTE 2)	--	--
CASH DIVIDENDS DECLARED - $.44 PER SHARE	--	--
AMORTIZATION OF RESTRICTED STOCK (NOTE 13)	1,009	--
STOCK OPTIONS EXERCISED (NOTE 13)	--	--
ISSUANCE OF RESTRICTED STOCK	(97)	--
STOCK OPTION TAX BENEFIT	--	--
OWNERSHIP CHANGE AT MAJORITY-OWNED SUBSIDIARY	--	--
BALANCE AT DECEMBER 31, 2000	(381)	5,936

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS [LOGO]

(In thousands)

YEARS ENDED DECEMBER 31,	2000
OPERATING ACTIVITIES	
Net income	$ 262,557
Adjustments to reconcile net income to net cash provided by operating activities:	
Provision for losses on loans	44,341
Depreciation, amortization, and accretion, net	80,502
Deferred income tax (benefit) expense	(4,459)
Increase in interest receivable	(30,544)
Increase in interest payable	25,106
Minority interest in subsidiaries' net income	16,495
(Increase) decrease in mortgage loans held for sale	(25,089)
Other, net	85,416
Net cash provided by operating activities	454,325
INVESTING ACTIVITIES	
Cash acquired from acquisitions	2,877
Net increase in interest earning deposits with banks	(1,878)
Net (increase) decrease in federal funds sold	(283,672)

Proceeds from maturities and principal collections of investment securities available for sale	198,078	
Proceeds from sales of investment securities available for sale	33,553	
Purchases of investment securities available for sale	(262,299)	
Proceeds from maturities and principal collections of investment securities held to maturity	37,591	
Purchases of investment securities held to maturity	(31,126)	
Net increase in loans	(1,762,348)	(1
Purchases of premises and equipment	(170,559)	
Proceeds from disposals of premises and equipment	4,081	
Net cash paid on sale of branches	(96,135)	
Proceeds from sales of other real estate	10,136	
Additions to contract acquisition costs	(41,713)	
Refund of contract acquisition costs	10,000	
Additions to computer software	(72,685)	
Net cash used in investing activities	(2,426,099)	(1
FINANCING ACTIVITIES		
Net increase in demand and savings deposits	918,781	
Net increase (decrease) in certificates of deposit	955,153	
Net (decrease) increase in federal funds purchased and securities sold under agreement to repurchase	(221,575)	
Principal repayments on long-term debt	(3,778)	
Proceeds from issuance of long-term debt	525,786	
Purchases of treasury stock	--	
Purchases of treasury stock by majority-owned subsidiary	(2,077)	
Dividends paid to shareholders	(119,012)	
Proceeds from issuance of common stock	10,007	
Net cash provided by financing activities	2,063,285	1
Increase (decrease) in cash and cash equivalents	91,511	
Cash and cash equivalents at beginning of period	466,543	
Cash and cash equivalents at end of period	$ 558,054	

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS [LOGO]

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS OPERATIONS

The consolidated financial statements include the accounts of Synovus Financial Corp. (Parent Company) and its consolidated subsidiaries, all but one of which were wholly-owned at December 31, 2000. Synovus has 39 wholly-owned bank subsidiaries predominantly involved in retail and commercial banking activities. Other wholly-owned subsidiary business activities include trust, mortgage, insurance, brokerage, software solutions provider, and debt collection and bankruptcy management. Total System Services, Inc. (TSYS), an 80.8% owned subsidiary, provides bankcard data processing and related services to banks and other card-issuing companies. In addition, the financial statements include joint ventures accounted for under the equity method.

Synovus has two reportable segments: banking operations and transaction processing services. For the year ended December 31, 2000, revenues (defined as net interest income plus non-interest income) from the banking operations segment represent 54.5% of the consolidated revenues, while the transaction processing services segment represents the remaining 45.5% of consolidated revenues. The banking operations' revenues are earned in four southeastern states: Georgia (61%), Alabama (18%), South Carolina (14%), and Florida (7%). Transaction processing services are provided to financial institutions and other organizations throughout the United States, Mexico, Canada, Honduras and the Caribbean. TSYS will begin offering its services to financial institutions in Europe in 2001. TSYS currently offers merchant services to financial institutions and other organizations in Japan.

BASIS OF PRESENTATION

In preparing the consolidated financial statements in accordance with 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 real estate acquired in connection with foreclosures or in satisfaction of loans; 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 Financial Corp. and subsidiaries (Synovus) conform to generally accepted accounting principles and to general practices within the banking and bankcard data processing 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

For the years ended December 31, 2000, 1999, and 1998, income taxes of $143 million, $106 million, and $95 million, and interest of $510 million, $367 million, and $334 million, respectively, were paid.

Loans receivable of approximately $15 million, $4 million, and $9 million were transferred to other real estate during 2000, 1999, and 1998, respectively.

FEDERAL FUNDS SOLD, FEDERAL FUNDS PURCHASED, AND SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

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

MORTGAGE LOANS HELD FOR SALE

Mortgage loans held for sale are carried at the lower of aggregate cost or fair value. Fair values are based upon quoted prices from secondary market investors and forward commitments to sell. No valuation allowances were required at December 31, 2000 or 1999.

The cost of mortgage loans held for sale is the mortgage note amount plus certain net origination costs less discounts collected.

INVESTMENT SECURITIES

Synovus classifies its securities into two categories: available for sale or held to maturity. Held to maturity securities are those securities for which Synovus has the ability and intent to hold until maturity. All other securities not included in held to maturity are classified as 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. Held to maturity securities are recorded at cost, adjusted for the amortization or accretion of premiums or discounts. Unrealized gains and losses, net of the related tax effect, on securities available for sale are excluded from earnings and are reported as a separate component of shareholders' equity, within other comprehensive income, until realized. Transfers of securities between categories are recorded at fair value at the date of transfer. The unrealized gains or losses included in other comprehensive income for a security transferred from available for sale to held to maturity are maintained and amortized into earnings over the remaining life of the security as an adjustment to yield in a manner consistent with the amortization or accretion of premium or discount on the associated security.

A decline in the market value of any available for sale or held to maturity 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.

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 and held to maturity 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 immaterial.

LOANS AND INTEREST INCOME

Loans are reported at principal amounts outstanding less unearned income, net deferred fees, 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.

Loan fees, net of certain direct origination costs, are deferred and amortized over the terms of the loans using a method which approximates a level yield. Annual fees, net of costs, collected for credit cards are recognized on a straight-line basis over the period the fee entitles the cardholder to use the card.

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. Such interest, when ultimately collected, is recorded as interest income in the period received. Interest on accruing impaired loans is recognized 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 provisions for loan losses 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 certain individual 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 additions 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 borrowers' 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 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. Subsequent recoveries are added to the allowance for loan losses. Cash receipts for accruing loans are applied to principal and interest under the contractual terms of the loan agreement. Cash receipts on impaired loans for which the accrual of interest has been discontinued are applied first to principal and then to interest income.

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, loans that are measured at fair value or at the lower of cost or fair value, and debt securities. The allowance for loan losses 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, adequacy of the underlying collateral, loan concentrations, historical charge-off trends, and economic conditions that may affect the borrowers' ability to pay.

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 straight-line or accelerated methods over the estimated useful lives of the related assets.

OTHER ASSETS

The following paragraphs describe some of the more significant amounts included in other assets. Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the assets described below 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 amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Intangibles:

Goodwill, which represents the excess of cost over the fair value of net assets acquired of purchased companies, is being amortized using the straight-line method over periods from 5 to 40 years.

Core deposit premiums resulting from the valuation of core deposit intangibles acquired in business combinations or in the purchase of branch offices are amortized using accelerated methods over periods not exceeding the estimated average remaining life of the existing customer deposit bases acquired. Amortization periods range from 10 to 18 years.

Amortization periods for intangible assets are monitored to determine if events and circumstances require such periods to be reduced.

Computer Software:

Development costs for software used by TSYS are capitalized from the time technological feasibility of the software product or enhancement is established until the software is ready for use in licensing to or providing processing services to customers. Research and development costs and computer software maintenance costs are expensed as incurred. Software development costs related to the TS(2) processing system are amortized using the greater of the straight-line method over the estimated useful life of 10 years or the ratio of current revenues to current and anticipated revenues. All other software development costs and costs of purchased computer software are amortized using the greater of the straight-line method over the estimated useful life not to exceed 5 years or the ratio of current revenues to current and anticipated revenues.

Investments in Company-Owned Life Insurance Programs:

Premiums paid for 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.

Investments in Joint Ventures:

TSYS' 49% investment in Total System Services de Mexico, S.A. de C.V. (TSYS de Mexico), a bankcard data processing operation located in Mexico, is accounted for under the equity method, as is TSYS' 50% investment in Vital Processing Services L.L.C. (Vital), a merchant processing operation headquartered in Tempe, Arizona.

Contract Acquisition Costs:

TSYS capitalizes certain contract acquisition costs related to signing or renewing long-term contracts. These costs, which primarily consist of cash payments for rights to provide processing services, incremental internal conversion and software development costs, and third-party software development costs, are amortized using the straight-line method over the contract term beginning when the client's cardholder accounts are converted to TSYS' processing system.

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. Any excess of the loan balance at the time of foreclosure over the fair value of the real estate held as collateral is treated as a loan charge-off. Gain or loss on sale and any subsequent adjustment to the value are recorded as a component of non-interest expense.

Originated and Purchased Mortgage Servicing Rights:

The rights to service mortgage loans for others, regardless of whether the servicing rights are acquired through either the purchase or origination of mortgage loans, are recognized as separate assets. The capitalized mortgage servicing rights are evaluated for impairment based upon the fair value of those rights. Fair value is estimated by determining the present value of the estimated future cash flows using discount rates commensurate with the risks involved. In determining the present value, Synovus stratifies its mortgage servicing rights based on risk characteristics including loan types, note rates, and note terms.

Capitalized mortgage servicing rights are amortized in proportion to and over the period of estimated net servicing income, using a method that approximates a level yield and taking into consideration prepayment of the underlying loans. Management re-evaluates the terms used for amortization based upon prepayment history and adjusts the terms as necessary.

DERIVATIVE FINANCIAL INSTRUMENTS

As part of its overall interest rate risk management activities, Synovus utilizes off-balance sheet derivatives to modify the repricing characteristics of on-balance sheet assets and liabilities. The primary instruments utilized by Synovus are interest rate swaps. Synovus has also purchased interest rate floors to reduce asset sensitivity in falling rate environments, but not in rising rate environments. The fair values of these off-balance sheet derivative financial instruments are based on dealer quotes and third party financial models.

Interest rate swaps, purchased floors, and purchased caps are accounted for on an accrual basis, and the net interest differential, including premiums paid, if any, is recognized as an adjustment to interest income or expense of the related designated asset or liability. Changes in the fair values of the swaps, purchased floors, and purchased caps are not recorded in the consolidated statements of income because these agreements are being treated as synthetic alterations of the designated assets or liabilities. Synovus considers its interest rate swaps to be a synthetic alteration of an asset or liability as long as (i) the swap is designated with a specific asset or liability or finite pool of assets or liabilities; (ii) there is a high correlation, at inception and throughout the period of the synthetic alteration, between changes in the interest income or expense generated by the swap and changes in the interest income or expense generated by the designated asset or liability; (iii) the notional amount of the swap is less than or equal to the principal amount of the designated asset or liability; and (iv) the swap term is less than or equal to the expected remaining term of the designated asset or liability. The criteria for consideration of a floor or cap as a synthetic alteration of an asset or liability are generally the same as those for a swap arrangement.

If the swap, purchased floor, or purchased cap arrangements are terminated before their maturity, the net proceeds received or paid are deferred and amortized over the shorter of the remaining contract life or the maturity of the designated asset or liability as an adjustment to interest income or expense. If the designated asset or liability is sold or matures, the swap agreement is marked to market and the gain or loss is included with the gain or loss on the sale or maturity of the designated asset or liability. Changes in the fair value of any undesignated swaps, purchased floors, and purchased caps are included in other income in the consolidated statements of income.

Premiums paid for purchased interest rate floor agreements are amortized to interest income or expense over the terms of the floors. Unamortized premiums are included in other assets in the consolidated balance sheets. Amounts receivable or payable under floor agreements are accrued as an adjustment to interest income or expense.

DATA PROCESSING SERVICES

TSYS' bankcard data processing revenues are derived from long-term processing contracts with banks and other institutions, and are recognized as revenues at the time the services are performed. TSYS' service contracts generally contain terms ranging from 3 to 10 years.

INCOME TAXES

Synovus uses the asset and liability method to account for income taxes. Under the asset and liability method, deferred 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. 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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Synovus files a consolidated federal income tax return with its wholly-owned and majority-owned subsidiaries.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS [LOGO]

STOCK-BASED COMPENSATION

Synovus accounts for its fixed stock-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 is recorded on the grant date only to the extent that the current market price of the underlying stock exceeds the exercise price on the grant date.

The pro forma net income and earnings per share disclosures for employee stock-based grants made in 1995 and future years are determined based upon the fair-value-based method which is defined in SFAS No. 123, "Accounting for Stock-Based Compensation.

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 on- and off-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 tax accounts, premises and equipment, computer software, and goodwill. In addition, the 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.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." In June 2000, the FASB issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities, an Amendment of SFAS 133." SFAS No. 133 and SFAS No. 138 standardize the accounting for derivative instruments, including certain derivative instruments embedded in other contracts. Under the standards, entities are required to carry all derivative instruments on the balance sheet at fair value.

The accounting for changes in the 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 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, are reported in earnings immediately. If the derivative instrument is not designated as a hedge, the gain or loss is recognized in earnings in the period of change.

Synovus adopted SFAS No. 133 and SFAS No. 138 on January 1, 2001. In accordance with the transition provisions of SFAS No. 133, Synovus recorded a net-of-tax cumulative-effect gain of $765,000 in accumulated other comprehensive income to recognize at fair value all derivatives that are designated as cash-flow hedging instruments. Gains and losses on derivatives that was previously deferred as adjustments to the carrying amount of hedged items were not adjusted. Synovus expects to reclassify as net of tax earnings during the next twelve months $160,000 in gains from the transition adjustment that was recorded in accumulated other comprehensive income.

In September 2000, SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", was issued. SFAS No. 140 is effective for all transfers and servicing of financial assets and extinguishments of liabilities after March 31, 2001. The Statement is effective for recognition and reclassification of collateral and disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. Due to the nature of its activities, Synovus does not expect a material change to its results of operations as a result of adopting SFAS No. 140.

OTHER

Certain amounts in 1999 and 1998 have been reclassified to conform with the presentation adopted in 2000.

NOTE 2 BUSINESS COMBINATIONS

On May 31, 2000, Synovus completed the acquisition of ProCard, Inc.((R))(ProCard), a provider of software and Internet tools designed to assist organizations with the management of purchasing, travel and fleet card programs. Synovus issued 1,415,053 shares of common stock for all of the outstanding capital stock of ProCard. The acquisition was accounted for as a pooling of interests, except that the financial information preceding the date of acquisition has not been restated to include the financial position and results of operations of ProCard since the effect was not material.

On October 31, 1999, Synovus completed the acquisitions of Ready Bank of Fort Walton Beach Holding Company, Inc. with $65 million in assets, and Horizon Bancshares, Inc. with $60 million in assets. Synovus issued 1,946,416 shares of common stock for all the issued and outstanding shares of these two entities. Both transactions were accounted for as poolings of interests, except that the financial information preceding the dates of acquisition have not been restated to include the financial condition and results of operations of these two entities since the effect was not material.

On September 30, 1999, Synovus completed the acquisition of the $306 million asset Merit Holding Corporation. Merit Holding Corporation (Merit) is the parent company of Mountain

National Bank in Tucker, Georgia, and Charter Bank & Trust Co. in Marietta, Georgia. Synovus issued 5,995,085 shares of common stock for all the issued and outstanding shares of Merit.

On September 30, 1999, Synovus completed the acquisition of the debt collection and bankruptcy management business offered by Wallace & de Mayo (WDM), a firm based in Norcross, Georgia. Synovus issued 2,339,624 shares of common stock for all of the outstanding common stock of WDM. Effective September 30, 1999, WDM operates as TSYS Total Debt Management, Inc. (TDM), a wholly-owned subsidiary of Synovus.

The aforementioned two acquisitions have been accounted for as poolings of interests. Accordingly, the financial statements for all periods presented have been restated to include the financial condition and results of operations of these two entities. The consolidated financial statements for the three years ended December 31, 2000, have been restated for the mergers with Merit and WDM as follows:

	YEARS ENDED	
(In thousands)	2000	19
Net interest income (expense):		
Synovus -- exclusive of pre-acquisition amounts	$ 562,332	500
Merit Holding Corporation and subsidiaries	--	12
Wallace & de Mayo	--	
Total	$ 562,332	513
Non-interest income:		
Synovus -- exclusive of pre-acquisition amounts	$ 833,513	718
Merit Holding Corporation and subsidiaries	--	1
Wallace & de Mayo	--	20
Total	$ 833,513	739
Net income:		
Synovus -- exclusive of pre-acquisition amounts	$ 262,557	217
Merit Holding Corporation and subsidiaries	--	3
Wallace & de Mayo(*)	--	3
Total	$ 262,557	225

(*)Prior to its merger with Synovus, WDM was a nontaxable enterprise due to its S corporation status. Accordingly, the pre-acquisition net income amounts shown above for WDM do not include income tax expense. Pro forma income tax expense related to WDM's net income for the years ended December 31, 1999 and 1998 would be approximately $1.4 million and $1.5 million, respectively.

On January 31, 1999, Synovus issued 333,163 shares of common stock to acquire the remaining 80% interest in Canterbury Trust Company, Inc., which provides trust, custody, investment and consulting services to large institutional clients. The acquisition was accounted for as a purchase resulting in goodwill of $5.5 million, which is being amortized on a straight-line basis over fifteen years.

On January 29, 1999, Merit acquired Source Capital Group I, Inc., an Atlanta-based equipment leasing company, in exchange for 100,000 shares of Merit's common stock (equivalent of 125,330 Synovus shares), valued at approximately $1.9 million. The acquisition was accounted for as a purchase resulting in goodwill of $1.3 million, which is being amortized on a straight-line basis over fifteen years.

On December 18, 1998, Synovus completed the acquisition of the $178 million asset Georgia Bank & Trust (GB&T), located in Calhoun, Georgia. Synovus issued 1,811,058 shares of common stock for all the issued and outstanding shares of GB&T.

On November 30, 1998, Synovus completed the acquisition of the $55 million asset Bank of Georgia, located in Watkinsville, Georgia. Synovus issued 850,269 shares of common stock for all the issued and outstanding shares of Bank of Georgia.

On September 1, 1998, Synovus completed the acquisition of the $348 million asset Community Bank Capital Corporation (CBCC). CBCC is the parent company of the Bank of North Georgia, located in Alpharetta, Georgia. Synovus issued 3,774,531 shares of common stock for all the issued and outstanding shares of CBCC.

The aforementioned three acquisitions have been accounted for as poolings of interests, except that the financial information preceding the dates of acquisition have not been restated to include the financial position and results of operations of these acquired entities since the effect was not material. Net income for the year ended December 31, 1998 would have been increased by $2.6 million if the previous periods had been restated.

NOTE 3 INVESTMENT SECURITIES

The amortized cost, gross unrealized gains and losses, and estimated fair values of investment securities at December 31, 2000 and 1999 are summarized as follows:

INVESTMENT SECURITIES AVAILABLE FOR SALE	DECEMBER 31, 2000			
(In thousands)	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTI FA VA

U.S. Treasury and U.S. Government agencies	$1,307,988	9,353	(3,048)	1,31
Mortgage-backed securities	433,036	5,197	(1,426)	43
State and municipal	35,146	408	(278)	3
Other investments	19,707	2,714	(1,758)	2
Total	$1,795,877	17,672	(6,510)	1,80

	DECEMBER 31, 1999			
(In thousands)	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTI FA VA
U.S. Treasury and U.S. Government agencies	$1,327,368	446	(39,861)	1,28
Mortgage-backed securities	403,096	251	(10,567)	39
State and municipal	15,736	71	(681)	1
Other investments	18,094	3,597	(872)	2
Total	$1,764,294	4,365	(51,981)	1,71

	DECEMBER 31, 2000			
INVESTMENT SECURITIES HELD TO MATURITY (In thousands)	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTI FA VA
U.S. Treasury and U.S. Government agencies	$ 11,717	49	(64)	1
Mortgage-backed securities	38,592	356	(73)	3
State and municipal	183,744	4,703	(374)	18
Other investments	36,836	--	(253)	3
Total	$ 270,889	5,108	(764)	27

	DECEMBER 31, 1999			
(In thousands)	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTI FA VA
U.S. Treasury and U.S. Government agencies	$ 24,914	16	(294)	2
Mortgage-backed securities	53,698	218	(937)	5
State and municipal	169,745	1,041	(3,697)	16

Other investments	28,922	--	(122)	2
Total	$ 277,279	1,275	(5,050)	27

The amortized cost and estimated fair value of investment securities at December 31, 2000 by contractual maturity 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.

	INVESTMENT SECURITIES HELD TO MATURITY		INVEST AVAIL
(In thousands)	AMORTIZED COST	ESTIMATED FAIR VALUE	AMORTIZE COST
U. S. Treasury and U. S. Government agencies:			
Within 1 year	$ 8,019	8,068	132,41
1 to 5 years	3,698	3,635	889,20
5 to 10 years	--	--	280,87
More than 10 years	--	--	5,49
	$ 11,717	11,703	1,307,98
State and municipal:			
Within 1 year	$ 7,624	7,676	12,08
1 to 5 years	41,355	41,672	4,10
5 to 10 years	83,587	85,705	7,68
More than 10 years	51,178	53,020	11,27
	$183,744	188,073	35,14
Other investments:			
Within 1 year	$ 2,637	2,637	3,70
1 to 5 years	2,540	2,540	2,27
5 to 10 years	600	600	30
More than 10 years	31,059	30,806	13,43
	$ 36,836	36,583	19,70
Mortgage-backed securities	$ 38,592	38,874	433,03
Total investment securities:			
Within 1 year	$ 18,280	18,381	148,20
1 to 5 years	47,593	47,847	895,57
5 to 10 years	84,187	86,305	288,86
More than 10 years	82,237	83,826	30,20
Mortgage-backed securities	38,592	38,874	433,03

$270,889	275,233	1,795,87
========	=======	========

A summary of sales transactions in the investment securities available for sale portfolio for 2000, 1999, and 1998 is as follows:

(In thousands)	PROCEEDS	GROSS REALIZED GAINS	R
2000	$ 33,553	842	
1999	48,472	1,252	
1998	131,493	1,371	

There were no sales transactions in the investment securities held to maturity portfolio during the three years ended December 31,2000. Securities with a carrying value of $1,636,519 and $1,297,866 at December 31, 2000 and 1999, respectively, were pledged to secure certain deposits and repurchase agreements as required by law.

NOTE 4 LOANS

Loans outstanding, by classification, are summarized as follows:

(In thousands)	DECEMBER 31 2000	1999
Commercial:		
Commercial, financial, and agricultural	$ 3,940,870	3,195,512
Real estate-construction	2,217,666	1,609,594
Real estate-mortgage	2,336,234	1,983,766
Total commercial	8,494,770	6,788,872
Retail:		
Real estate-mortgage	1,184,437	1,089,217
Consumer loans-credit card	233,137	237,546
Consumer loans-other	855,933	961,881
Total retail	2,273,507	2,288,644
Total loans	$ 10,768,277	9,077,516
Unearned income	(16,390)	(9,277)
Total loans, net of unearned income	$ 10,751,887	9,068,239

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

(In thousands)	DECEMBER 31 2000	1999	1998
Balance at beginning of year	$ 127,558	114,109	105,705
Allowance for loan losses of acquired subsidiaries	--	2,928	6,170
Provision for losses on loans	44,341	34,007	26,882
Recoveries of loans previously charged off	8,128	6,957	6,493
Loans charged off	(32,160)	(30,443)	(31,141)
Balance at end of year	$ 147,867	127,558	114,109

At December 31, 2000, the recorded investment in loans that were considered to be impaired was $46.8 million (of which $37.6 million were on a nonaccrual basis). Included in this amount is $43.9 million of impaired loans for which the related allowance for loan losses is $13.9 million, and $2.9 million of impaired loans for which there is no related allowance determined in accordance with SFAS No. 114, "Accounting by Creditors for Impairment of a Loan."

At December 31, 1999, the recorded investment in loans that were considered to be impaired was $29.6 million (of which $25.2 million were on a nonaccrual basis). Included in this amount is $25.0 million of impaired loans for which the related allowance for loan losses is $12.3 million, and $4.6 million of impaired loans for which there is no related allowance determined in accordance with SFAS No. 114.

The allowance for loan losses amounts for impaired loans were primarily determined using the fair value of the loans' collateral. The average recorded investment in impaired loans was approximately $43,600,000, $26,500,000, and $29,000,000 for the years ended December 31, 2000, 1999, and 1998, respectively, and the related amount of interest income recognized during the period that such loans were impaired was approximately $2,399,000, $1,468,000, and $1,573,000 for the years ended December 31, 2000, 1999, and 1998, respectively.

Loans on nonaccrual status amounted to approximately $40,863,000, $26,672,000, and $20,756,000 at December 31, 2000, 1999, and 1998, respectively. If nonaccrual loans had been on a full accruing basis, interest income on these loans would have been increased by approximately $2,194,000, $2,603,000, and $1,891,000 for the years ended December 31, 2000, 1999, and 1998, respectively.

A substantial portion of the loans are secured by real estate in markets in which subsidiary banks are located throughout Georgia, Alabama, South Carolina, and Northwest 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 has direct and indirect loans outstanding to certain executive officers, directors, and principal holders of equity securities (including their associates). 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 other customers. The following is a summary of such loans outstanding and the activity in these loans for the year ended December 31, 2000.

(In thousands)	
Balance at December 31, 1999	$129,468
Adjustment for executive officer and director changes	9,129
Adjusted balance at December 31, 1999	138,597
New loans	90,231
Repayments	110,773
Balance at December 31, 2000	$118,055

NOTE 5 OTHER ASSETS

Included in other assets are the following significant balances: mortgage servicing rights, company-owned life insurance programs, TSYS' computer software costs, contract acquisition costs, and investments in joint ventures.

As of December 31, 2000 and 1999, Synovus had approximately $1,600,000 and $33,411,000, respectively, in capitalized mortgage servicing rights, and no valuation allowance. During 2000, Synovus sold substantially all of its mortgage servicing rights portfolio. At December 31, 2000 and 1999, Synovus serviced mortgage loans for unaffiliated investors of approximately $360,000,000 and $2,519,000,000, respectively.

At December 31, 2000 and 1999, Synovus maintained certain company-owned life insurance programs with a carrying value of approximately $118,167,000 and $83,977,000, respectively.

The following table summarizes TSYS' computer software at December 31, 2000 and 1999:

(In thousands)	2000	1999
Purchased computer software	$ 177,629	111,331
TS(2)	33,049	33,049
Other capitalized software development costs	32,468	26,787
	243,146	171,167
Less accumulated amortization	97,692	72,342
Computer software, net	$ 145,454	98,825

Amortization expense related to purchased and capitalized software development costs at TSYS was $25,706,000, $21,627,000 and $16,774,000 for the years ended December 31, 2000, 1999, and 1998, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS [LOGO]

Contract acquisition costs, net, at TSYS were $75,079,000 and $50,862,000 at December 31, 2000 and 1999, respectively. TSYS investments in joint ventures, net, were $45,632,000 and $35,952,000 at December 31, 2000 and 1999, respectively.

During 2000, TSYS ceased development of two software projects, which were evaluated to determine their utilization in a new design plan that included expanded international functionality. Based on its reviews, TSYS expensed $6.1 million of costs as employment and other expenses that were originally capitalized on those projects.

NOTE 6 INTEREST BEARING DEPOSITS

A summary of interest bearing deposits at December 31, 2000 and 1999 is as follows:

(In thousands)	2000	1999
Interest bearing demand deposits	$ 1,749,971	1,364,244
Money market accounts	2,148,051	1,766,893
Savings accounts	404,806	444,493
Time deposits under $100,000	2,577,912	2,451,629
Time deposits of $100,000 or more	2,554,153	1,787,515
Total interest bearing deposits	$ 9,434,893	7,814,774

Interest expense on time deposits of $100,000 or more for the years ended December 31, 2000, 1999, and 1998 was $138,087,000, $82,685,000, and $76,311,000, respectively.

NOTE 7 LONG-TERM DEBT AND SHORT-TERM BORROWINGS

Long-term debt at December 31, 2000 and 1999 consists of the following:

(In thousands)	2000	1999
Parent Company:		
7.25% senior notes, due December 15, 2005, with semi-annual interest payments and principal to be paid at maturity	$ 200,000	--
6.125% senior notes, due October 15, 2003, with semi-annual interest payments and principal to be paid at maturity	75,000	75,000
8.75% debenture, due May 15, 2003, with minimum annual principal payments of $120 and $1,000 due at maturity	1,240	1,480
Total long-term debt - Parent Company	276,240	76,480

Subsidiaries:		
Federal Home Loan Bank advances with interest and principal payments due at various maturity dates through 2010 and interest rates ranging from 4.65% to 7.54% at December 31, 2000	564,285	241,763
Other notes payable and capital lease obligations payable with interest and principal payments due at various maturity dates through 2004 and interest rates ranging from 8.00% to 15.00% at December 31, 2000	334	377
Total long-term debt - subsidiaries	564,619	242,140
Total long-term debt	$ 840,859	318,620

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, 2000, 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 mortgage loans receivable of approximately $975,000,000, as well as investment securities of approximately $86,000,000 at December 31, 2000.

Synovus has an unsecured line of credit with an unaffiliated bank for $25 million with an interest rate of 45 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, 2000 and 1999.

Required annual principal payments on long-term debt for the five years subsequent to December 31, 2000 are as follows:

(In thousands)	PARENT COMPANY	SUBSIDIARIES	TOTAL
2001	$ 120	107,311	107,431
2002	120	50,611	50,731
2003	76,000	218,451	294,451
2004	--	110,422	110,422
2005	200,000	25,190	225,190

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

(In thousands)	2000	1999
Balance at December 31, ...	$ 1,039,900	1,261,391
Weighted average interest rate		

at December 31, ...	6.67%	5.49
Maximum month end balance during the year	$ 1,446,393	1,261,391
Average amount outstanding during the year	$ 1,248,983	786,954
Weighted average interest rate during the year	6.28%	5.01

NOTE 8 OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended December 31, 2000, 1999, and 1998, are as follows:

	2000			1999	
(In thousands)	BEFORE-TAX AMOUNT	TAX EXPENSE OR BENEFIT	NET OF TAX AMOUNT	BEFORE-TAX AMOUNT	TAX EXPENSE OR BENEFIT
Net unrealized gains/losses on investment securities available for sale:					
Unrealized gains (losses) arising during the year	$ 59,237	(22,558)	36,679	(63,698)	24,524
Reclassification adjustment for (gains) losses realized in net income	(781)	301	(480)	(1,202)	463
Net unrealized gains (losses) ...	58,456	(22,257)	36,199	(64,900)	24,987
Foreign currency translation adjustments	(129)	--	(129)	(223)	--
Other comprehensive income (loss)	$ 58,327	(22,257)	36,070	(65,123)	24,987

	1998		
(In thousands)	BEFORE-TAX AMOUNT	TAX EXPENSE OR BENEFIT	NET OF TAX AMOUNT
Net unrealized gains/losses on investment securities available for sale:			
Unrealized gains (losses) arising during the year	8,535	(3,286)	5,249
Reclassification adjustment for (gains) losses realized in net			

income	(1,299)	500	(799)
Net unrealized gains (losses) ...	7,236	(2,786)	4,450
Foreign currency translation adjustments	1	--	1
Other comprehensive income (loss)	7,237	(2,786)	4,451

NOTE 9 EARNINGS PER SHARE

The following table displays a reconciliation of the information used in calculating basic and diluted earnings per share (EPS) for the years ended December 31, 2000, 1999, and 1998.

	2000			1999		
(In thousands, except per share data)	NET INCOME	AVERAGE SHARES	NET INCOME PER SHARE	NET INCOME	AVERAGE SHARES	NET INCOME PER SHARE
BASIC EPS	$ 262,557	283,552	$ .93	$ 225,307	280,016	$ .8
Effect of dilutive options	--	3,330		--	3,339	
DILUTED EPS	$ 262,557	286,882	$ .92	$ 225,307	283,355	$ .8

The following represents options to purchase shares of Synovus common stock that were outstanding during the periods noted below, but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common shares.

QUARTER ENDED	NUMBER OF SHARES	WTD. AVG. EXERCISE P PER SHARE
September 30, 2000	5,891,850	$ 21.83
June 30, 2000	7,478,050	$ 21.30
March 31, 2000	10,530,800	$ 20.52
December 31, 1999	6,260,596	$ 21.87
September 30, 1999	6,383,651	$ 21.82
June 30, 1999	3,666,048	$ 22.60
December 31, 1998	10,000	$ 22.81

NOTE 10 COMMITMENTS AND CONTINGENCIES

OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

Synovus is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers, reduce its own exposure to fluctuations in interest rates, and to conduct lending activities. These financial instruments include commitments to extend credit, standby and commercial letters of credit, commitments to sell mortgage loans, and interest rate contracts. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the consolidated financial statements.

The exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit, and standby and commercial letters of credit is represented by the contract amount of those instruments. Synovus uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. For interest rate swap and floor agreements held at year-end, Synovus had insignificant credit risk.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a

fee. Since many of the commitments are expected to expire without being drawn upon, total commitment amounts do not necessarily represent future cash requirements.

Loan commitments and letters of credit at December 31, 2000 include the following:

(In thousands)	2000
Standby letters of credit	$ 716,078
Undisbursed construction loans	609,570
Unused credit card lines	944,279
Other loan commitments	1,414,503
Total	$3,684,430

Due to the short-term nature of the outstanding loan commitments, and the likelihood that when funded, these loans will be indexed to then current market rates, the off-balance sheet value closely approximates fair value.

At December 31, 2000, outstanding commitments to sell mortgage loans amounted to approximately $118,776,000. Such commitments are entered into to reduce the exposure to market risk arising from potential changes in interest rates, which could affect the fair value of mortgage loans held for sale and outstanding commitments to originate residential mortgage loans held for sale.

The commitments to sell mortgage loans are at fixed prices and are scheduled to settle at specified dates which generally do not exceed 90 days. The off-balance sheet value of outstanding commitments to sell mortgage loans at December 31, 2000 closely approximated fair value.

Interest rate swap transactions generally involve the exchange of fixed and floating rate interest payment obligations without the exchange of the underlying principal amounts. Entering into off-balance sheet interest rate contracts involves not only interest rate risk, but also the risk of counterparties' failure to fulfill their legal obligations. Notional principal amounts often are used to express the volume of these transactions, but the amounts potentially subject to credit risk are much smaller.

The consolidated notional amount of interest rate swap and floor contracts was $520,000,000 and $665,000,000 at December 31, 2000 and 1999, respectively, with a carrying amount of $6,000 and $77,000 at December 31, 2000 and 1999, respectively. The estimated net unrealized gain (loss) on these interest rate contracts was $3,635,000 and ($10,575,000) for the years ended December 31, 2000 and 1999, respectively.

These interest rate contracts are being utilized to hedge approximately $352,000,000 in prime rate floating loans and $180,000,000 in fixed rate deposits in Georgia and South Carolina.

(Dollars in thousands)	Notional Amount	Weighted Average Receive Rate	Weighted Average Pay Rate(*)	Weighted Average Floor Rate	Weighted Average Maturity In Months	Unr
DECEMBER 31, 2000						
Receive fixed swaps - LIBOR	$180,000	6.92%	6.55%	n/a	20	$
Receive fixed swaps - Prime	320,000	8.76%	9.50%	n/a	26	
Total receive fixed swaps	500,000	8.10%	8.44%		24	
Purchased interest rate floors	20,000	n/a	n/a	8.00%	2	
Total	$520,000				23	$
DECEMBER 31, 1999						
Receive fixed swaps - LIBOR	$180,000	5.78%	6.16%	n/a	19	$
Receive fixed swaps - Prime	420,000	8.82%	8.50%	n/a	39	
Total receive fixed swaps	600,000	7.91%	7.80%		33	
Purchased interest rate floors	65,000	n/a	n/a	7.90%	9	
Total	$665,000				31	$

(*) Variable pay rate based upon contract rates in effect at December 31, 2000 and 1999.

LEASE COMMITMENTS

Synovus and its subsidiaries have entered into long-term operating leases for various branch locations, corporate facilities, data processing equipment, and furniture. Management expects that as these leases expire they will be renewed or replaced by other leases. At December 31, 2000, minimum rental commitments under all such noncancelable leases for the next five years are as follows:

(In thousands)	Facilities	Equipment and Furniture	Total
2001	$15,958	92,089	108,047
2002	15,213	96,365	111,578
2003	7,691	53,681	61,372
2004	5,568	19,222	24,790
2005	25,043	24,163	49,206

In 1997, TSYS entered into an operating lease agreement for TSYS' new corporate campus. Under the agreement, which is guaranteed by Synovus, the lessor paid for the construction and development costs and has leased the facilities to TSYS for a term of three years beginning in November 1999. The lease provides for substantial residual value guarantees and includes purchase options at the original cost of the property. The amount of the residual value guarantees relative to the assets under this lease is projected to be $81.4 million. The terms of this lease financing arrangement require, among other things, that TSYS maintain certain minimum financial ratios and provide certain information to the lessor.

Rental expense on equipment and furniture, including cancelable leases, was $81,086,000, $82,272,000, and $55,320,000 for the years ended December 31, 2000, 1999, and 1998, respectively. Rental expense on facilities was $16,336,000, $11,033,000, and $7,685,000 for the years ended December 31, 2000, 1999, and 1998, respectively.

CONTRACTUAL COMMITMENTS

In the normal course of its business, TSYS maintains processing contracts with its clients. These processing contracts contain commitments, including but not limited to, minimum standards and time frames against which TSYS' performance is measured. In the event that TSYS does not meet its contractual commitments with its clients, TSYS may incur penalties and/or certain clients may have the right to terminate their contracts with TSYS. TSYS does not believe that it will fail to meet its contractual commitments to an extent that will result in a material adverse effect on its financial condition or results of operations.

LEGAL PROCEEDINGS

Synovus and its subsidiaries are subject to various legal proceedings and claims which arise in the ordinary course of its business. Any litigation is vigorously defended by Synovus and, in the opinion of management, based on consultation with external legal counsel, any outcome of such litigation would not materially affect the consolidated financial position or results of operations.

Currently, multiple lawsuits seeking class action treatment are pending against one of the Alabama banking subsidiaries that involve: (1) payment of service fees or interest rebates to automobile dealers in connection with the assignment of automobile credit sales contracts to that subsidiary; (2) the forced placement of insurance to protect that subsidiary's interest in collateral for which consumer credit customers have failed to obtain or maintain insurance; and (3) the receipt of commissions by that subsidiary in connection with the sale of credit life insurance to its consumer credit customers and the charging of an interest surcharge and a processing fee in connection with consumer loans made by that subsidiary. These lawsuits seek unspecified damages, including punitive damages. Synovus intends to vigorously contest these lawsuits and all other litigation to which Synovus and its subsidiaries are parties. Based upon information presently available, and in light of legal, equitable, and factual defenses available to Synovus and its subsidiaries, contingent liabilities arising from the threatened and pending litigation are not considered material. It should be noted, however, that large punitive damage awards bearing little relation to the actual damages sustained by plaintiffs, have been awarded in Alabama.

In November, 1998, a class action complaint was filed against NationsBank of Delaware, N.A., in the United States District Court for the Southern District of Mississippi. On March 23, 1999, the named plaintiff amended the complaint and named TSYS and certain credit bureaus as defendants in the case. The named plaintiff alleges, among other things, that the defendants failed to report properly the credit standing of each member of the putative class. The named plaintiff has defined the class as all persons and entities within the United States who obtained credit cards from NationsBank, and whose accounts were purchased by or transferred to U.S. BankCard, and whose accounts were reported to credit bureaus or credit agencies incorrectly in August 1998. The amended complaint alleges negligence, violation of the Fair Credit Reporting Act, breach of the duty of good faith and fair dealing, and seeks declaratory relief, injunctive relief and the imposition of punitive damages. The parties have reached a settlement of this litigation, which settlement is subject to court approval under Rule 23(e) of the Federal Rules of Civil Procedure. Payments by TSYS to settle the litigation are not expected to be material to TSYS' financial condition or results of operations and management expects the settlement to be substantially covered by insurance.

NOTE 11 REGULATORY REQUIREMENTS AND RESTRICTIONS

The amount of dividends paid to the Parent Company from each of the subsidiary banks is limited by various banking regulatory agencies. The amount of cash dividends available from subsidiary banks for payment in 2001, in the aggregate, without prior approval from the banking regulatory agencies, is approximately $132,220,000. In prior years, certain Synovus banks have received permission and have paid cash dividends to the Parent Company in excess of these regulatory limitations.

Synovus is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, Synovus must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. Capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require Synovus on a consolidated basis, and the Parent Company and subsidiary banks individually, to maintain minimum amounts and ratios of total and Tier I capital to risk-weighted assets as defined, and of Tier I capital to average assets, as defined. Management believes that as of December 31, 2000, Synovus meets all capital adequacy requirements to which it is subject.

As of December 31, 2000, the most recent notification from the Federal Reserve Bank of Atlanta categorized all of the banking subsidiaries as well-capitalized under the regulatory framework for prompt corrective action. To be categorized as well-capitalized, Synovus and its subsidiaries must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the following table. Management is not aware of the existence of any conditions or events occurring subsequent to December 31, 2000 which would affect the well-capitalized classifications.

Actual capital amounts and ratios for Synovus are presented in the following table on a consolidated basis and for each significant subsidiary, as defined.

	Actual		For Capita Adequacy Purp
(Dollars in thousands)	2000	1999	2000
SYNOVUS FINANCIAL CORP.			
Tier I capital..............................	$1,455,576	1,281,850	504,814
Total risk-based capital....................	1,605,365	1,410,888	1,009,629
Tier I capital ratio........................	11.53%	12.51	4.00
Total risk-based capital ratio..............	12.72	13.77	8.00
Leverage ratio..............................	10.24	10.52	4.00
COLUMBUS BANK AND TRUST COMPANY			
Tier I capital..............................	$ 602,918	501,325	125,556
Total risk-based capital....................	628,484	521,730	251,112
Tier I capital ratio........................	19.21%	20.40	4.00
Total risk-based capital ratio..............	20.02	21.23	8.00
Leverage ratio..............................	20.77	17.55	4.00
THE NATIONAL BANK OF SOUTH CAROLINA			
Tier I capital..............................	$ 151,308	128,018	66,279
Total risk-based capital....................	172,036	145,762	132,558
Tier I capital ratio........................	9.13%	9.03	4.00
Total risk-based capital ratio..............	10.38	10.28	8.00
Leverage ratio	7.99	7.79	4.00

NOTE 12 EMPLOYMENT EXPENSES AND BENEFIT PLANS

Synovus generally provides noncontributory, trusteed, money purchase, profit sharing and 401(k) plans, which cover all eligible employees. Annual discretionary contributions to these plans are set each year by the respective Boards of Directors of each subsidiary, but cannot exceed amounts allowable as a deduction for federal income tax purposes. Aggregate contributions to these money purchase, profit sharing, and 401(k) plans for the years ended December 31, 2000, 1999, and 1998, were $40,113,589, $46,475,366, and $38,871,669, respectively.

Synovus has stock purchase plans for directors and employees whereby Synovus makes contributions equal to one-half of employee and director voluntary contributions. The funds are used to purchase outstanding shares of Synovus common stock. TSYS has established director and employee stock purchase plans, modeled after Synovus' plans, except that the funds are used to purchase outstanding shares of TSYS common stock. Synovus and TSYS contributed $7,303,000, $6,365,000, and $5,448,000 to these plans in 2000, 1999, and 1998, respectively.

Synovus has entered into employment agreements with certain executive officers for past and future services which provide for current compensation in addition to salary in the form of deferred compensation payable at retirement or in the event of death, total disability, or termination of employment. The aggregate cost of these salary continuation plans and employment agreements is not material to the consolidated financial statements.

Synovus provides certain medical benefits to qualified retirees through a postretirement medical benefits plan. The benefit expense and accrued benefit cost is not material to the consolidated financial statements.

NOTE 13   STOCK-BASED COMPENSATION

Synovus has various stock option plans under which the Compensation Committee of the Board of Directors has the authority to grant options to Synovus employees. At December 31, 2000, Synovus had 11,721,195 shares of its authorized but unissued common stock reserved for future grants under the stock option plans. The general terms of the existing stock option plans include vesting periods ranging from two to three years and exercise periods ranging from five to ten years. Such stock options are granted at exercise prices which equal the fair market value of a share of common stock on the grant date.

During 1999 and 1998, Synovus granted options to purchase 150 shares of stock to each employee, for a total of 1,546,650 and 1,246,650 stock options in 1999 and 1998, respectively. The exercise price per share is equal to the fair market value at the grant date of $19.19 and $22.00 for the 1999 and 1998 grants, respectively. The options are exercisable after the price of the stock has doubled or after three years, whichever comes first.

During 2000, Synovus granted options to purchase 4,100,000 shares of stock to certain key executives. The exercise price per share is equal to the fair market value at the grant date, which ranges from $17.69 to $18.06. The options are exercisable in equal installments when the per share market price of Synovus common stock exceeds $40, $45, and $50, and in any event on dates ranging from September 12, 2006 to June 28, 2007. During 1999, a similar grant to purchase 500,000 shares of stock was granted to a key executive. The exercise price per share is equal to the fair market value at the grant date of $19.06. The options are exercisable in equal installments when the per share market price of Synovus common stock exceeds $40, $45, and $50, and in any event on September 12, 2006.

Synovus applies APB Opinion No. 25 in accounting for its stock option plans. Accordingly, compensation expense for the option grants has not been recognized in the accompanying financial statements.

A summary of the status of stock option plans as of December 31, 2000, 1999, and 1998 and changes during the years then ended is presented below:

	2000		1999	
	Shares	Weighted Avg. Exercise Price	Shares	Weighted Exercise P
Options outstanding at beginning of period	19,440,950	$16.28	16,364,209	$12.84
Options granted	5,635,430	17.36	4,589,819	21.13
Options exercised	(1,104,392)	6.77	(1,347,711)	5.02
Options cancelled	(752,575)	20.28	(165,367)	17.27
Options outstanding at end of period ..	23,219,413	16.87	19,440,950	16.28
Options exercisable at end of period ..	10,649,279	$11.30	8,456,609	$ 8.72

The following is a summary of stock options outstanding at December 31, 2000:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABL	
RANGE OF EXERCISE PRICES	NUMBER OF OPTIONS	WEIGHTED AVG. REMAINING YEARS	WEIGHTED AVG. EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED EXERCISE
$ 1.31 - $ 2.63	547,409	3.3 years	$ 2.41	547,409	$ 2.41
$ 3.13 - $ 4.70	1,451,432	0.7 years	$ 4.43	1,451,432	$ 4.43
$ 6.74 - $10.61	4,182,136	3.9 years	$ 8.26	4,145,648	$ 8.23
$14.27 - $22.87	17,038,436	7.0 years	$18.84	4,504,790	$17.41

The per share weighted average fair value of stock options granted during 2000, 1999, and 1998 was $6.42, $5.41, and $4.96, respectively. The fair value for these options was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions for 2000, 1999, and 1998, respectively: risk-free interest rates of 6.4%, 5.3%, and 5.4%; expected volatility of 36%, 36%, and 32%; expected life of 6.3 years, 4.3 years, and 4 years; and dividend yield of 2.3%, 1.7%, and 1.3%.

Had Synovus determined compensation expense based on the fair value at the grant date for its stock options granted during the years 1995 through 2000 under SFAS No. 123, net income would have been reduced to the pro forma amounts indicated below:

(In thousands, except per share data)	YEARS ENDED DECEMBER 31, 2000	1999	1998
Net income			
As reported	$262,557	225,307	196,465
Pro forma	251,012	213,662	187,044
Earnings per share-diluted:			
As reported	.92	.80	.71
Pro forma	.87	.75	.67

In addition to the stock options described above, non-transferable, restricted shares of Synovus common stock have been awarded to various key executives under key executive restricted stock bonus plans. The market value of the common stock at the date of issuance is included as a reduction of shareholders' equity in the consolidated balance sheets and is amortized as compensation expense using the straight-line method over the vesting period of the awards. Aggregate compensation expense with respect to the foregoing Synovus restricted stock awards was approximately $1,009,000, $1,252,000, and $1,189,000 for the years ended December 31, 2000, 1999, and 1998, respectively. Summary information regarding outstanding restricted stock awards at December 31, 2000 is presented below:

Year Awards Granted	Market Value at Award Date	Vesting Period
1995	$2,054,000	5 years
1996	3,771,000	5 years
1997	246,000	5 years
2000	97,646	5 years

NOTE 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying and estimated fair values of on-balance sheet financial instruments at December 31, 2000 and 1999. The estimated fair value of a financial instrument is the amount at which the instrument coul