ACADIA PHARMACEUTICALS INC
Form 4
March 14, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Tolf Bo-Ragnar

(Last) (First) (Middle)

3911 SORRENTO VALLEY BOULEVARD

(Street)

SAN DIEGO, CA 92121

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ACADIA PHARMACEUTICALS INC [ACAD]

3. Date of Earliest Transaction (Month/Day/Year)
03/10/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VP/Mg. Dir. ACADIA Pharma AB

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8 D

Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)		S (I
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option (right to buy)	$ 14.83	03/10/2006		A		21,000		(1)	03/09/2016	Common Stock	21,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Tolf Bo-Ragnar 3911 SORRENTO VALLEY BOULEVARD SAN DIEGO, CA 92121			VP/Mg. Dir. ACADIA Pharma AB	

Signatures

/s/ Uli Hacksell, Attorney-in-Fact	03/14/2006
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) 25% of the shares subject to the Stock Option vest and become exercisable on March 10, 2007. The remaining shares vest and become exercisable thereafter in 36 equal monthly installments.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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5,334

5,784

0.19
%

0.20
%

$

(120
)

(330
)

$
(450
)
Money market accounts
6,240,247

6,321,433

14,155

15,580

0.30

0.33

(200
)

(1,225
)

(1,425
)
Savings deposits
635,678

599,682

413

473

0.09

0.11

30

(90
)

(60
)
Time deposits
4,447,188

4,598,569

21,344

27,127

0.64

0.79

(895
)

(4,888
)

(5,783
)
Federal funds purchased and securities sold under repurchase agreements
201,823

205,405

186

242

0.12

0.16

(4
)

(52
)

(56
)
Long-term debt
2,132,988

1,779,434

40,728

40,688

2.55

3.05

8,065

(8,025
)

40

Total interest-bearing liabilities
$
17,468,067

17,394,629

$

82,160

89,894

0.63

0.69

$
6,876

(14,610
)

$
(7,734
)
Non-interest bearing deposits
5,710,043

5,289,213

Other liabilities
228,321

198,829

Shareholders' equity
3,020,480

3,412,590

Total liabilities and equity
$
26,426,911

26,295,261

Net interest income/margin

613,135

607,564

3.39
%

3.41
%

$
16,435

(10,864
)

$
5,571

Taxable equivalent adjustment

1,306

1,703

Net interest income, actual

$
611,829

605,861

$
611,829

(1) Average loans are shown net of unearned income. Non-performing loans are included. Interest income includes fees as follows: 2014 - $21.4 million, 2013 - $18.4 million.
(2) Reflects taxable-equivalent adjustments, using the statutory federal income tax rate of 35% in adjusting interest on tax-exempt loans and investment securities to a taxable-
equivalent basis.
(3) Includes average net unrealized gains (losses) on investment securities available for sale of $2.2 million and $17.8 million for the nine months ended September 30, 2014 and
2013, respectively.

72

Table of Contents

The following tables set forth the major components of net interest income and the related annualized yields and rates for the three months ended September 30, 2014 and 2013, as well as the variances between the periods caused by changes in interest rates versus changes in volume.

Net Interest Income and Rate/Volume Analysis

	Three Months Ended September 30,						2014 Compared to 2013		
	Average Balances		Interest		Annualized Yield/Rate		Change due to		Increase (Decrease)
(dollars in thousands)	2014	2013	2014	2013	2014	2013	Volume	Rate	
Assets									
Interest earning assets:									
Taxable investment securities	$3,035,940	3,062,976	$13,977	13,483	1.84 %	1.76 %	$(120)	614	$ 494
Tax-exempt investment securities(2)	5,168	9,835	80	154	6.21	6.26	(74)	—	(74)
Total investment securities	3,041,108	3,072,811	14,057	13,637	1.85	1.78	(194)	614	420
Trading account assets	16,818	13,806	106	155	2.52	4.50	34	(83)	(49)
Taxable loans, net(1)	20,326,010	19,486,551	216,581	217,124	4.23	4.42	9,352	(9,895)	(543)
Tax-exempt loans, net(1)(2)	91,437	108,930	1,087	1,359	4.72	4.95	(218)	(54)	(272)
Allowance for loan losses	(274,698)	(328,084)							
Loans, net	20,142,749	19,267,397	217,668	218,483	4.29	4.50	9,134	(9,949)	(815)
Mortgage loans held for sale	70,766	85,493	701	869	3.96	4.07	(151)	(18)	(169)
Federal funds sold, due from Federal Reserve Bank, and other short-term investments	974,363	1,375,920	573	830	0.23	0.24	(233)	(24)	(257)
Federal Home Loan Bank and Federal Reserve Bank stock	78,131	70,741	697	407	3.57	2.30	43	247	290
Total interest earning assets	$24,323,935	23,886,168	$233,802	234,381	3.81 %	3.89 %	$8,633	(9,213)	$ (580)
Cash and due from banks	399,906	420,527							
Premises and equipment, net	462,308	478,359							
Other real estate	99,372	142,562							
Other assets(3)	1,245,980	1,328,637							

Total assets	$26,531,501	26,256,253							
Liabilities and Shareholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand deposits	$3,722,599	3,933,902	$1,758	2,269	0.19 %	0.23 %	$(122)	(389)	$ (511)
Money market accounts	6,218,677	6,351,090	4,468	5,238	0.29	0.33	(110)	(660)	(770)
Savings deposits	645,654	607,144	116	161	0.07	0.11	11	(56)	(45)
Time deposits	4,527,066	4,680,185	7,162	8,686	0.63	0.74	(286)	(1,238)	(1,524)
Federal funds purchased and securities sold under repurchase agreements	171,429	195,717	35	72	0.08	0.14	(9)	(28)	(37)
Long-term debt	2,142,705	1,885,385	13,592	13,456	2.54	2.85	1,849	(1,713)	136
Total interest-bearing liabilities	$17,428,130	17,653,423	$27,131	29,882	0.62	0.67	$1,333	(4,084)	$ (2,751)
Non-interest bearing deposits	5,824,592	5,306,447							
Other liabilities	214,256	206,863							
Shareholders' equity	3,064,523	3,089,520							
Total liabilities and equity	$26,531,501	26,256,253							
Net interest income/margin			206,671	204,499	3.37 %	3.40 %	$7,300	(5,129)	$ 2,171
Taxable equivalent adjustment			408	529					
Net interest income, actual			$206,263	203,970					

(1) Average loans are shown net of unearned income. Non-performing loans are included. Interest income includes fees as follows: 2014 - $7.5 million, 2013 - $6.7 million.
(2) Reflects taxable-equivalent adjustments, using the statutory federal income tax rate of 35% in adjusting interest on tax-exempt loans and investment securities to a taxable-equivalent basis.
(3) Includes average net unrealized gains (losses) on investment securities available for sale of $9.9 million and ($26.2) million for the three months ended September 30, 2014 and 2013, respectively.

73

Table of Contents

Market Risk Analysis

Interest rate risk is the primary market risk to which Synovus is potentially exposed. Synovus measures its sensitivity to changes in market interest rates through the use of a simulation model. Synovus uses this simulation model to determine a baseline net interest income forecast and the sensitivity of this forecast to changes in interest rates. These simulations include all of Synovus' earning assets and liabilities. Forecasted balance sheet changes, primarily reflecting loan and deposit growth forecasts, are included in the periods modeled. Anticipated deposit mix changes in each interest rate scenario are also included in the periods modeled.

Synovus has modeled its baseline net interest income forecast assuming a flat interest rate environment with the federal funds rate at the Federal Reserve's current targeted range of 0% to 0.25% and the current prime rate of 3.25%. Due to the targeted federal funds rate being at or near 0% at this time, only rising rate scenarios have been modeled. Synovus has modeled the impact of a gradual increase in short-term rates of 100 and 200 basis points to determine the sensitivity of net interest income for the next twelve months. Synovus continues to maintain a modestly asset sensitive position which would be expected to benefit net interest income in a rising interest rate environment. The following table represents the estimated sensitivity of net interest income to these changes in short term interest rates at September 30, 2014, with comparable information for December 31, 2013.

	Estimated % Change in Net Interest Income as Compared to Unchanged Rates (for the next twelve months)	
Change in Short-term Interest Rates (in basis points)	September 30, 2014	December 31, 2013
+200	6.3%	5.0%
+100	4.0%	3.2%
Flat	—%	—%

Several factors could serve to diminish or eliminate this asset sensitivity. These factors include a higher than projected level of deposit customer migration to higher cost deposits, such as certificates of deposit, which would increase total interest expense and serve to reduce the realized level of asset sensitivity. Another factor which could impact the realized interest rate sensitivity is the repricing behavior of interest bearing non-maturity deposits. Assumptions for repricing are expressed as a beta relative to the change in the prime rate. For instance, a 50% beta would correspond to a deposit rate that would increase 0.5% for every 1% increase in the prime rate. Projected betas for interest bearing non-maturity deposit repricing are a key component of determining the Company's interest rate risk positioning. Should realized betas be higher than projected betas, the expected benefit from higher interest rates would be diminished. The following table presents an example of the potential impact of an increase in repricing betas on Synovus' realized interest rate sensitivity position.

	As of September 30, 2014	
Change in Short-term Interest Rates (in basis points)	Base Scenario	15% Increase in Average Repricing Beta
+200	6.3%	5.1%
+100	4.0%	3.4%

While all of the above estimates are reflective of the general interest rate sensitivity of Synovus, local market conditions and their impact on loan and deposit pricing would be expected to have a significant impact on the realized level of net interest income. Actual realized balance sheet growth and mix would also impact the realized level of net interest income.

ADDITIONAL DISCLOSURES

Other Contingencies

Repurchase Obligations for Mortgage Loans Originated for Sale

The majority of mortgage loans originated by Synovus are sold to third-party purchasers on a servicing released basis, without recourse, or continuing involvement. These sales are typically effected as non-recourse loan sales to GSEs and non-GSE purchasers. Each purchaser of Synovus' mortgage loans has specific guidelines and criteria for sellers of loans, and the risk of credit loss with regard to the principal amount of the loans sold is generally transferred to the purchasers upon sale. While the loans are sold without recourse, the purchase agreements require Synovus to make certain representations and warranties regarding the existence and sufficiency of file documentation and the absence of fraud by borrowers or other third parties such as appraisers in connection with obtaining the loan. If it is determined that loans sold were in breach of these representations or warranties, Synovus has obligations to either repurchase the loan at the unpaid principal balance and related investor fees or make the purchaser whole for the economic benefits of the loan.

Each GSE and non-GSE purchaser has specific guidelines and criteria for sellers of loans, and the risk of credit loss with regard to the principal amount of the loans sold is generally transferred to the purchasers upon sale. The purchase agreements

74

Table of Contents

require Synovus to make certain representations and warranties regarding the existence and sufficiency of file documentation and the absence of fraud by borrowers or other third parties such as appraisers in connection with obtaining the loan. If it is determined that loans sold were in breach of these representations or warranties, Synovus has obligations to either repurchase the loan at the unpaid principal balance and related investor fees or make the purchaser whole for the economic benefits of the loan.

To date, repurchase activity pursuant to the terms of these representations and warranties has been minimal and has primarily been associated with loans originated from 2005 through 2008. From January 1, 2005 through September 30, 2014, Synovus Mortgage originated and sold approximately $8.2 billion of first lien GSE eligible mortgage loans and approximately $3.6 billion of first and second lien non-GSE eligible mortgage loans. The total expense pertaining to losses from repurchases of mortgage loans previously sold, including amounts accrued in accordance with ASC 450, was $1.7 million and $768 thousand for the nine months ended September 30, 2014 and 2013, respectively. The total accrued liability related to mortgage repurchase claims was $3.0 million at September 30, 2014 and $4.1 million at December 31, 2013. See "Part I-Item 1A - Risk Factors- We may be required to repurchase mortgage loans or indemnify mortgage loan purchasers as a result of breaches of representations and warranties, borrower fraud, or certain borrower defaults, which could harm our liquidity, results of operations and financial condition." in Synovus' 2013 Form 10-K.

Mortgage Loan Foreclosure Practices

At September 30, 2014 and December 31, 2013, Synovus had $3.31 billion and $3.11 billion, respectively, of home equity and consumer mortgage loans which are secured by first and second liens on residential properties. Of the amounts at September 30, 2014, $585.5 million and $505.9 million, respectively, consist of mortgages relating to properties in Florida and South Carolina, which are states where foreclosures proceed through the courts and of the amounts at December 31, 2013, $508.4 million and $483.4 million, respectively, consist of mortgages relating to properties in Florida and South Carolina. To date, foreclosure activity in the home equity and consumer mortgage loan portfolio has been low. Any foreclosures on these loans are handled by designated Synovus personnel and external legal counsel, as appropriate, following established policies regarding legal and regulatory requirements. Based on information currently available, management believes that it does not have significant exposure related to our foreclosure practices.

Recently Issued Accounting Standards

The following accounting pronouncements were issued during the first nine months of 2014:

ASU 2014-14, "Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure." ASU 2014-14 addresses the diversity in practice regarding the classification and measurement of foreclosed loans which were part of a government-sponsored loan guarantee program (i.e., FHA, HUD, and VA). If (a) the government guarantee is not separable from the loan before foreclosure and (b) at foreclosure, the creditor has the intent to convey the real estate to the guarantor and make a claim on the guarantee, and the creditor has the ability to recover under that claim and (c) at foreclosure any amount of the claim based on the fair value of the real estate is fixed, the loan should be derecognized and a separate other receivable should be recorded upon foreclosure at the amount of the loan balance (principle and interest) expected to be recovered from the guarantor. The provisions of this ASU are effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. Management does not expect the application of this guidance to have a material impact on Synovus' Consolidated Financial Statements.

ASU 2014-01, "Equity Method and Joint Ventures: Accounting for Investments in Qualified Affordable Housing Projects." The ASU permits reporting entities to make an accounting policy election to account for their investments in qualified affordable housing projects using a proportional amortization method if certain conditions are met. Under the proportional amortization method, an entity amortizes the initial cost of the investment in proportion to the tax credits and other tax benefits received and recognizes the net investment performance in the income statement as a component of income tax expense. A reporting entity should evaluate whether the conditions have been met to apply the proportional amortization method to an investment in a qualified affordable housing project through a limited liability entity at the time of initial investment on the basis of facts and circumstances that exist at that time. A reporting entity should re-evaluate the conditions upon the occurrence of certain specified events. An investment in a qualified affordable housing project through a limited liability entity should be tested for impairment when there are events or changes in circumstances indicating that it is more likely than not that the carrying amount of the investment will not be realized. For those investments in qualified affordable housing projects not accounted for using the proportional amortization method, the investment should be accounted for as an equity method investment or a cost method investment. The decision to apply the proportional amortization method of accounting is an accounting policy decision that should be applied consistently to all qualifying affordable housing project investments rather than a decision to be applied to individual investments. The provisions of this ASU are effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014, and will be applied retrospectively to all periods presented. Early adoption is permitted. Management does not expect the application of this guidance to have a material impact on Synovus' Consolidated Financial Statements.

75

Table of Contents

ASU 2014-09, "Revenue from Contracts with Customers." ASU 2014-09 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The standard is intended to increase comparability across industries and jurisdictions. The core principle of the revenue model is that a company will recognize revenue when it transfers control of goods or services to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. The guidance in ASU 2014-09 is effective for annual reporting periods beginning after December 31, 2016. Early application is not permitted for public entities. Management is currently evaluating the impact of the accounting update on Synovus' Consolidated Financial Statements.

ASU 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." ASU 2014-08 amends the definition of a discontinued operation and requires entities to provide additional disclosures about discontinued operations as well as disposal transactions that do not meet the discontinued operations criteria. Under ASU 2014-08, an entity's disposal of a component or group of components must be reported in discontinued operations if the disposal represents a strategic shift that has or will have a major impact on an entity's operations or financial results. Additionally, this ASU requires expanded disclosures about discontinued operations that will provide more information about the assets, liabilities, income, and expenses of discontinued operations. The provisions of this ASU are effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014, and will be applied retrospectively to all periods presented. Early adoption is permitted. ASU 2014-08 is not expected to have a material impact on Synovus' Consolidated Financial Statements.

See Note 1 of the notes to the unaudited interim consolidated financial statements for a discussion of recently issued and adopted accounting standards updates.

Critical Accounting Policies

The accounting and financial reporting policies of Synovus are in accordance with U.S. GAAP and conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. Synovus has identified certain of its accounting policies as "critical accounting policies," consisting of those related to the allowance for loan losses, contingent liabilities related to legal matters, deferred tax assets valuation allowance, other real estate, and determining the fair value of financial instruments. In determining which accounting policies are critical in nature, Synovus has identified the policies that require significant judgment or involve complex estimates. It is management's practice to discuss critical accounting policies with the Board of Directors' Audit Committee, including the development, selection, implementation and disclosure of the critical accounting policies. The application of these policies has a significant impact on Synovus' unaudited interim consolidated financial statements. Synovus' financial results could differ significantly if different judgments or estimates are used in the application of these policies. All accounting policies described in Note 1 - Summary of Significant Accounting Policies in Synovus' 2013 Form 10-K should be reviewed for a greater understanding of how we record and report our financial performance. During the nine months ended September 30, 2014, there have been no significant changes to Synovus' critical accounting policies, estimates and assumptions, or the judgments affecting the application of these estimates and assumptions from those disclosed in Synovus' 2013 Form 10-K.

Allowance for Loan Losses - Dual Risk Rating Implementation

Synovus began implementation of a Dual Risk Rating allowance for loan losses methodology (DRR methodology) for certain components of its commercial and industrial loan portfolio during the third quarter of 2013. The DRR methodology includes sixteen probabilities of default categories and nine categories for estimating losses given an event of default. The result is an expected loss rate established for each borrower. The DRR methodology is generally considered in the banking industry to be a more refined estimate of the inherent risk of loss. The third quarter of 2013 DRR methodology implementation was applied to approximately $2.4 billion of the total commercial and industrial loan portfolio. Implementation of the DRR methodology resulted in a reduction to the provision for loan losses and the allowance for loan losses of approximately $2.5 million for the three months ended September 30, 2013. During the third quarter of 2014, the DRR implementation was expanded to certain components of the investment properties commercial real estate portfolio totaling approximately $2.5 billion. This implementation resulted in an increase to the provision for loan losses and the allowance for loan losses of approximately $1.8 million for the three months ended September 30, 2014.

At September 30, 2014, the DRR methodology is utilized to calculate the allowance for loan losses for 31.2% of the commercial loan portfolio and 25.4% of the total loan portfolio. Management currently expects to implement the DRR methodology for additional components of the commercial loan portfolio over the next few years. The implementation is expected to be in multiple phases, with each component determined based primarily on loan type and size. The timing of future implementations will depend upon completion of applicable data analysis and model assessment. Once full implementation is completed, management estimates that the DRR methodology will be utilized to calculate the allowance for loan losses on commercial loans amounting to over 30% of the total loan portfolio.

76

Table of Contents

Non-GAAP Financial Measures

The measures entitled adjusted pre-tax, pre-credit costs income, adjusted non-interest income, adjusted non-interest expense, core deposits, core deposits excluding time deposits, core deposits excluding the impact from the Memphis transaction, total deposits excluding the impact from the Memphis transaction, average core deposits, Tier 1 common equity, the tangible common equity to tangible assets ratio, the Tier 1 common equity ratio, and the estimated common equity Tier 1 ratio under final Basel III rules (on a fully phased-in basis) are not measures recognized under U.S. GAAP and therefore are considered non-GAAP financial measures. The most comparable GAAP measures are income before income taxes, total non-interest income, total non-interest expense, total deposits, Tier 1 capital, the ratio of total shareholders' equity to total assets, and the ratio of Tier 1 capital to risk-weighted assets, respectively. Management uses these non-GAAP financial measures to assess the performance of Synovus' core business and the strength of its capital position. Synovus believes that these non-GAAP financial measures provide meaningful additional information about Synovus to assist investors in evaluating Synovus' operating results, financial strength and capital position. These non-GAAP financial measures should not be considered as a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures at other companies. Adjusted pre-tax, pre-credit costs income is a measure used by management to evaluate core operating results exclusive of credit costs as well as certain revenues and expenses such as investment securities gains, net and restructuring charges. Adjusted non-interest income is a measure used by management to evaluate non-interest income exclusive of net investment securities gains and other non-recurring income items. Adjusted non-interest expense is a measure used by management to gauge the success of expense management initiatives focused on reducing recurring controllable operating costs. Core deposits, core deposits excluding time deposits, core deposits excluding the impact from the Memphis transaction, total deposits excluding the impact from the Memphis transaction, and average core deposits are measures used by management to evaluate organic growth of deposits and the quality of deposits as a funding source. Tier 1 common equity, the tangible common equity to tangible assets ratio, the Tier 1 common equity ratio, and the estimated common equity Tier 1 ratio under final Basel III rules (on a fully phased-in basis) are used by management and investment analysts to assess the strength of Synovus' capital position. The computations of these measures are set forth in the tables below.

Reconciliation of Non-GAAP Financial Measures

	Nine Months Ended		Three Months Ended	
(in thousands)	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Adjusted Pre-tax, Pre-credit Costs Income				
Income before income taxes	$223,631	192,918	$72,656	73,459
Add: Provision for loan losses	25,638	55,534	3,843	6,761
Add: Other credit costs (1)	24,621	40,085	11,858	15,603
Add: Restructuring charges	17,101	7,295	809	687
Add: Litigation settlement expenses	12,349	—	12,349	—
Add: Visa indemnification charges	2,731	801	1,979	—
Less: Investment securities gains, net	(1,331)	(2,571)	—	(1,124)
Less: Gain on sale of Memphis branches, net	(5,789)	—	—	—
Adjusted Pre-tax, pre-credit costs income	$298,951	294,062	$103,494	95,386
Adjusted Non-interest Income				
Total non-interest income	$197,555	193,390	$63,985	63,578
Less: Investment securities gains, net	(1,331)	(2,571)	—	(1,124)
Less: Gain on sale of Memphis branches, net	$(5,789)	—	$—	—
Adjusted non-interest income	$190,435	190,819	$63,985	62,454
Adjusted Non-interest Expense				
Total non-interest expense	$560,115	550,799	193,749	187,328

Less: Other credit costs[1]	(24,621)	(40,085)	(11,858)	(15,603)
Less: Restructuring charges	(17,101)	(7,295)	(809)	(687)
Less: Visa indemnification charges	(2,731)	(801)	(1,979)	—
Less: Litigation settlement expenses[2]	(12,349)	—	(12,349)	—
Adjusted non-interest expense	$503,313	502,618	$166,754	171,038

77

Table of Contents

(dollars in thousands)	September 30, 2014		June 30, 2014		December 31, 2013		September 30, 2013	
Core Deposits, Core Deposits Excluding Time Deposits, Core Deposits Excluding the Impact From the Memphis Transaction, and Total Deposits Excluding the Impact From the Memphis Transaction								
Total deposits	$20,989,781		20,993,467		20,876,790		20,973,856	
Less: Brokered deposits	(1,566,934	)	(1,449,420	)	(1,094,002	)	(1,275,200	)
Core deposits	19,422,847		19,544,047		19,782,788		19,698,656	
Less: Time deposits	3,240,840		(3,166,496	)	(3,498,200	)	(3,569,752	)
Core deposits excluding time deposits	$16,182,007		16,377,551		16,284,588		16,128,904	
Core deposits	$19,422,847		$19,544,047					
Add: Impact from the Memphis transaction	191,302		191,302					
Core deposits excluding the impact from the Memphis transaction	$19,614,149		$19,735,349					
Total deposits	$20,989,781		20,993,467					
Add: Impact from the Memphis transaction	191,302		191,302					
Total deposits excluding the impact from the Memphis transaction	$21,181,083		$21,184,769					
Average Core Deposits								
Average total deposits	$20,938,587		20,863,706		21,150,068		20,878,768	
Less: Average brokered deposits	(1,494,620	)	(1,401,167	)	(1,194,427	)	(1,333,293	)
Average core deposits	$19,443,967		19,462,539		19,955,641		19,545,475	
Tangible Common Equity to Tangible Assets Ratio								
Total assets	$26,519,110		26,627,290		26,201,604		26,218,360	
Less: Goodwill	(24,431	)	(24,431	)	(24,431	)	(24,431	)
Less: Other intangible assets, net	(1,471	)	(1,678	)	(3,415	)	(3,783	)
Tangible Assets	$26,493,208		26,601,181		26,173,758		26,190,146	
Total shareholders' equity	3,076,545		3,053,051		2,948,985		2,931,860	
Less: Goodwill	(24,431	)	(24,431	)	(24,431	)	(24,431	)
Less: Other intangible assets, net	(1,471	)	(1,678	)	(3,415	)	(3,783	)
Less: Series C Preferred Stock, no par value	(125,980	)	(125,980	)	(125,862	)	(125,400	)
Tangible common equity	$2,924,663		2,900,962		2,795,277		2,778,246	
Total shareholders' equity to total assets ratio	11.60	%	11.47		11.25		11.18	
Tangible common equity to tangible assets ratio	11.04	%	10.91		10.68		10.61	

78

Table of Contents

Reconciliation of Non-GAAP Financial Measures, continued

(dollars in thousands)	September 30, 2014	June 30, 2014	December 31, 2013	September 30, 2013
Tier 1 Common Equity and Tier 1 Common Equity Ratio				
Total shareholders' equity	$3,076,545	3,053,051	2,948,985	2,931,860
Less: Accumulated other comprehensive loss, net	24,827	13,716	41,258	29,514
Less: Goodwill	(24,431)	(24,431)	(24,431)	(24,431)
Less: Other intangible assets, net	(1,471)	(1,678)	(3,415)	(3,783)
Less: Disallowed deferred tax assets [3]	(529,342)	(547,786)	(618,516)	(647,828)
Other items	7,636	7,619	7,612	7,426
Tier 1 capital	$2,553,764	2,500,491	2,351,493	2,292,758
Less: Qualifying trust preferred securities	(10,000)	(10,000)	(10,000)	(10,000)
Less: Series C Preferred Stock, no par value	(125,980)	(125,980)	(125,862)	(125,400)
Tier 1 common equity	$2,417,784	2,364,511	2,215,631	2,157,358
Total risk-weighted assets	22,817,379	22,702,108	22,316,091	21,735,362
Tier 1 capital ratio	11.19 %	11.01	10.54	10.55
Tier 1 common equity ratio	10.60 %	10.42	9.93	9.93

Estimated Common Equity Tier 1 Ratio Under Basel III Rules (On a Fully Phased-in Basis)	
Tier 1 common equity (Basel I)	$2,417,784
Add: Adjustment related to capital components	63,191
Estimated common equity Tier 1 under final Basel III rules without AOCI	$2,480,975
Estimated risk-weighted assets under final Basel III rules	23,624,802
Estimated common equity Tier 1 ratio under Basel III rules (on a fully phased-in basis)	10.50 %

(1) Other credit costs consist primarily of foreclosed real estate expense, net.
(2) Consists of litigation settlement expenses, including loss contingency accruals, with respect to certain legal matters. Amounts for other periods presented herein are not reported separately as amounts are not material.
(3) Only one year of projected future taxable income may be applied in calculating deferred tax assets for regulatory capital purposes.

ITEM 3. – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information presented in the Market Risk Analysis section of the Management's Discussion and Analysis of Financial Condition and Results of Operations is incorporated herein by reference.

Table of Contents

ITEM 4. – CONTROLS AND PROCEDURES

In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by Synovus' management, with the participation of Synovus' Chief Executive Officer and Chief Financial Officer, of the effectiveness of Synovus' disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on that evaluation, Synovus' Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2014, Synovus' disclosure controls and procedures were effective.

Synovus regularly engages in productivity and efficiency initiatives to streamline operations, reduce expenses, and increase revenue. Additionally, investment in new and updated information technology systems has enhanced information gathering and processing capabilities; and allowed management to operate in a more centralized environment for critical processing and monitoring functions. Management of Synovus is responsible for identifying, documenting, and evaluating the adequacy of the design and operation of the controls implemented during each process change described above. There have been no material changes in Synovus' internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2014 that has materially affected, or is reasonably likely to materially affect, Synovus' internal controls over financial reporting.

Table of Contents

PART II. – OTHER INFORMATION

ITEM 1. – LEGAL PROCEEDINGS

Synovus and its subsidiaries are subject to various legal proceedings and claims that arise in the ordinary course of its business. Additionally, in the ordinary course of business, Synovus and its subsidiaries are subject to regulatory examinations, information gathering requests, inquiries and investigations. Synovus, like many other financial institutions, has been the target of numerous legal actions and other proceedings asserting claims for damages and related relief for losses resulting from the recent financial crisis. These actions include claims and counterclaims asserted by individual borrowers related to their loans and allegations of violations of state and federal laws and regulations relating to banking practices, including several purported putative class action matters. In addition to actual damages if Synovus does not prevail in any asserted legal action, credit-related litigation could result in additional write-downs or charge-offs of assets, which could adversely affect Synovus' results of operations during the period in which the write-down or charge-off occurred.

Based on our current knowledge and advice of counsel, management presently does not believe that the liabilities arising from these legal matters will have a material adverse effect on Synovus' consolidated financial condition, operating results or cash flows. However, it is possible that the ultimate resolution of these legal matters could have a material adverse effect on Synovus' results of operations and financial condition for any particular period. For additional information, see "Part I - Item 1. Financial Statements - Note 15 - Legal Proceedings" of this Report, which Note is incorporated herein by this reference.

ITEM 1A. – RISK FACTORS

In addition to the other information set forth in this Report, you should carefully consider the factors discussed in “Risk Factors” in Part I-Item 1A of Synovus’ 2013 Form 10-K which could materially affect its business, financial position, results of operations, cash flows, or future results. Please be aware that these risks may change over time and other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict such risks or estimate the extent to which they may affect our business, financial condition or results of operations, or the trading price of our securities.

There were no material changes during the period covered by this Report to the risk factors previously disclosed in Synovus’ 2013 10-K.

ITEM 2. – UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. – DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. – MINE SAFETY DISCLOSURES

None.

ITEM 5. – OTHER INFORMATION

None.

Table of Contents

ITEM 6. – EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Articles of Incorporation of Synovus, as amended, incorporated by reference to Exhibit 3.1 of Synovus' Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, as filed with the SEC on August 9, 2010.
3.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of Synovus with respect to the Series C Preferred Stock, incorporated by reference to Exhibit 3.1 to Synovus' Current Report on Form 8-K dated July 25, 2013, as filed with the SEC on July 25, 2013.
3.3	Articles of Amendment to the Amended and Restated Articles of Incorporation of Synovus, incorporated by reference to Exhibit 3.1 to Synovus' Current Report on Form 8-K dated April 29, 2014, as filed with the SEC on April 29, 2014.
3.4	Articles of Amendment to the Amended and Restated Articles of Incorporation of Synovus, incorporated by reference to Exhibit 3.1 to Synovus' Current Report on Form 8-K dated May 19, 2014, as filed with the SEC on May 19, 2014.
3.5	Bylaws, as amended, of Synovus, incorporated by reference to Exhibit 3.1 of Synovus' Current Report on Form 8-K dated November 8, 2010, as filed with the SEC on November 9, 2010.
4.1	Specimen stock certificate for Fixed Rate Cumulative Perpetual Stock, Series A, incorporated by reference to Exhibit 4.2 of Synovus' Current Report on Form 8-K dated December 17, 2008, as filed with the SEC on December 22, 2008.
4.2	Specimen stock certificate for Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series C, incorporated by reference to Exhibit 4.1 of Synovus' Current Report in Form 8-K dated July 2, 2013, as filed with the SEC on July 25, 2013.
4.3	Warrant for purchase of up to 15,510,737 shares of Synovus Common Stock, incorporated by reference o Exhibit 4.1 of Synovus' Current Report on Form 8-K dated December 17, 2008, as filed with the SEC on December 22, 2008.
4.4	Shareholder Rights Plan, dated as of April 26, 2010, between Synovus Financial Corp. and Mellon Investor Services LLC, as Rights Agent, which includes the Form of Articles of Amendment to the Articles of Incorporation of Synovus Financial Corp. (Series B Participating Cumulative Preferred Stock) as Exhibit A, the Summary of Terms of the Rights Agreement as Exhibit B and the Form of Right Certificate as Exhibit C, incorporated by reference to Exhibit 4.1 of Synovus' Current Report on Form 8-K dated April 26, 2010, as filed with the SEC on April 26, 2010.
4.5	Amendment No. 1, dated as of September 6, 2011 to Shareholder Rights Plan between Synovus Financial Corp. and American Stock Transfer & Trust Company, LLC, incorporated by reference to Exhibit 4.1 of Synovus' Current Report on Form 8-K dated September 6, 2011, as filed with the SEC on September 6, 2011.
4.6	

	Amendment No. 2, dated April 24, 2013, to Shareholder Rights Plan dated as of April 26, 2010 (as amended) by and between Synovus Financial Corp. and American Stock Transfer and Trust Company, LLC, incorporated by reference to Exhibit 4.1 of Synovus' Current Report on Form 8-K dated April 24, 2013, as filed with the SEC on April 24, 2013.
4.7	Indenture, dated as of June 20, 2005, between Synovus Financial Corp. and The Bank of New York Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.1 of Synovus' Registration Statement on Form S-4 (No. 333-126767) filed with the SEC on July 21, 2005.
4.8	Senior Notes Indenture, dated as of February 13, 2012, between Synovus Financial Corp. and The Bank of New York Melton Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.1 of Synovus' Current Report on Form 8-K dated February 8, 2012, as filed with the SEC on February 13, 2012.
4.9	Specimen Physical Stock Certificate of Synovus, incorporated by reference to Exhibit 4.1 to Synovus' Current Report on Form 8-K dated May 19, 2014, as filed with the SEC on May 19, 2014.
12.1	Ratio of Earnings to Fixed Charges.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

82

Table of Contents

101	Interactive Data File

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

	SYNOVUS FINANCIAL CORP.
November 5, 2014	By: /s/ Thomas J. Prescott
Date	Thomas J. Prescott
	Executive Vice President and Chief Financial Officer
	(Duly Authorized Officer and Principal Financial Officer)

84