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CONFORMED SIGNATURES

WITH EXHIBITS

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SNV

Form 8-K

REC'D S.E.C.
OCT 07 1994
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CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

October 5, 1994
(Earliest Event Reported)

Synovus Financial Corp.
(Exact Name of Registrant as
Specified in its Charter)

Georgia
(State of
Incorporation)

1-10312
(Commission File
Number)

58-1134883
(IRS Employer
Identification Number)

901 Front Avenue, Suite 301, Columbus, Georgia 31901
(Address of principal executive offices)

(706) 649-2267
(Registrant's Telephone Number)

(Former name or former address, if changed since last report)

Item 5. Other Events.

On October 5, 1994, Synovus Financial Corp. ("Registrant") announced that it had entered into a letter of intent providing for a strategic combination of NBSC Corporation, a bank holding company headquartered in Columbia, South Carolina, and Synovus.

A copy of Registrant's press release announcing the execution of the letter of intent and a copy of the letter of intent are attached hereto as Exhibits 99.1 and 99.2, respectively, and by this reference made a part hereof.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Financial Statements - None.

(b) Pro Forma Financial Information - None.

(c) Exhibits

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| | |
|--|--------|
| 99.1 - Registrant's press release, dated October 5, 1994 | Page 4 |
| 99.2 - Letter of intent between Registrant and NBSC Corporation | Page 7 |

Signature

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

SYNOVUS FINANCIAL CORP.
("Registrant")

Dated: October 6, 1994

By: /s/ Kathleen Moates
Kathleen Moates
Senior Vice President



SYNOVUS™
FINANCIAL CORP.

NEWS RELEASE

FOR IMMEDIATE RELEASE

Date: October 5, 1994

Contact: Synovus Financial Corp.
Richard B. Illges
Vice-President
(706) 649-5220

NBSC Corporation
William L. Pherigo
President
(803) 929-2051

Synovus Financial Corp. and NBSC Corporation Announce Agreement to Merge

Synovus Financial Corp. (NYSE-"SNV"), of Columbus, Georgia and NBSC Corporation (NASDAQ-"NSCB"), of Columbia, South Carolina, today announced that they have signed a letter expressing their current intent for a strategic combination of NBSC Corporation ("NBSC") and Synovus. The combination would be effected by a merger in which Synovus common stock will be issued for NBSC common stock. The combination is expected to be tax-free and will be accounted for as a pooling of interests. Consummation of the proposed combination is subject to mutually satisfactory due diligence, execution of a definitive merger agreement, approval of the shareholders of NBSC, and the approval of the appropriate Federal and State regulatory authorities. The combination is projected to be completed in the first quarter of 1995. Based on Synovus' recent stock price, Synovus will exchange approximately \$153 million in its stock for NBSC's stock. The transaction is not expected to be dilutive to Synovus' 1995 earnings per share and is expected to add to Synovus' earnings per share in 1996 and beyond. In conjunction with entering into the letter of intent, NBSC has granted Synovus an option to acquire 19.9% of NBSC's stock outstanding prior to exercise of the option, under certain conditions. Upon completion of the merger, Robert V. Royall, Jr., Chairman and CEO, NBSC Corporation, will join the Synovus Board of Directors.

NBSC owns the National Bank of South Carolina, the fifth largest bank in South Carolina and the largest bank headquartered in South Carolina. As of June 30, 1994, NBSC had assets of \$1.02 billion and shareholders' equity of \$72.5 million. NBSC operates 43 offices serving 25 cities throughout South Carolina, including 9 offices in metro-Columbia, 5 offices in Greenville/Spartanburg, 6 offices in metro-Charleston and 6 offices in Sumter. Nonperforming assets as of June 30, 1994 totalled approximately \$10 million, or 1.42% of loans. Net charge-offs year-to-date total .05% of average loans.

Commenting on the combination, Synovus' Chairman and Chief Executive Officer, James H. Blanchard, stated "We are delighted to announce the affiliation of NBSC Corporation with the Synovus Family. This is a significant market expansion for Synovus and we are confident that we are joining up with the best group of community bankers in South Carolina. NBSC is a growing, dynamic bank located in the best markets of South Carolina. Bob Royall, Bill Pherigo and their senior leadership group are experienced, accomplished bankers and they have built an outstanding team around them. We could not be more excited about this merger and we believe this teams' ability to grow assets by serving their communities will produce rapidly increasing profits and value for our combined shareholder group."

Robert V. Royall, Jr., Chairman and Chief Executive Officer of NBSC Corporation commented on the combination stating, "NBSC is pleased to announce our affiliation with Synovus Financial Corp., one of the most productive and highly respected financial services companies in the nation. This strategic combination will enable our bank to continue to grow and prosper as NBSC, South Carolina's leading community bank. Synovus has a great reputation and will provide NBSC with more products, services, and capital to support our customers while providing a similar philosophy of community banking service. Our Board is especially pleased with this winning combination which impacts the entire NBSC family of customers, employees and shareholders on such a positive basis."

Synovus Financial Corp. is a \$5.9 billion asset, multi-financial services company composed of thirty-two community banks in Georgia, Alabama and Florida, an 80.8% interest in Total System Services, Inc. (NYSE-"TSS"), the second largest credit card processing company in the world, and Synovus Securities, Inc., a full-service brokerage firm.

(More)

Summary

NBSC Corporation/The National Bank of South Carolina

| | |
|------------------------------------|-----------------------------------|
| Current Value of SNV Stock issued: | \$153 Million |
| Value Per NBSC Share: | \$32.00 |
| Structure: | Tax-free Exchange of Common Stock |
| SNV Shares Issued: | Approximately 8.0 million |
| Estimated Closing Date: | First Quarter 1995 |

| | |
|----------------------|-------------------|
| Assets (6/30/94) | \$1,029.5 Million |
| Net Loans | 691.4 Million |
| Total Deposits | 892.9 Million |
| Shareholders' Equity | 72.3 Million |
| Statewide Offices: | 43 |
| Full-Time Employees: | 581 |

Reasons for the Combination with NBSC

- 1) Consistent with Synovus' strategy to affiliate with growing, profitable institutions with quality people in good markets. Consistent with NBSC's strategy to operate as South Carolina's premier community bank.
- 2) Merger adds to Synovus' earnings per share in 1996 and beyond with no dilution in 1995. NBSC's focus is on improving return on assets and return on equity after three years of rapid growth. The improving profitability of NBSC will produce a stream of quality earnings.
- 3) NBSC has outstanding management. Bob Royall and Bill Pherigo came on board in 1991, turned the bank around, built a management team, developed a clear strategic focus and grew NBSC into a statewide bank.
- 4) Ability to grow market share. Since 1991, NBSC's assets have grown from \$670 million to over \$1 billion. NBSC is gaining market share in the key growth markets of the state.
- 5) Geographic expansion into fourth state. South Carolina is a very attractive state. Columbia is the state capital and home to the University of South Carolina. Greenville/Spartanburg is located along the Atlanta/Charlotte I-85 corridor and is home to BMW's U.S. plant. Charleston and the coastal region has a booming tourism industry.
- 6) Solid asset quality. NBSC has a history of low charge-offs and a declining level of nonperforming assets.



SYNOVUS
FINANCIAL CORP.

STEPHEN L. BURTS, JR.
President and
Chief Financial Officer

October 4, 1994

Mr. Robert V. Royall, Jr.
Chairman & CEO
NBSC Corporation
1241 Main Street
Columbia, South Carolina 29201

Dear Bob:

Please accept this letter as an expression of our interest in a strategic combination with NBSC Corporation and, as such, a statement of the general terms and conditions of our proposal. If accepted by the Board of NBSC, this letter will become an expression of our current mutual intentions and will not be binding except as expressly provided herein.

Structure

Synovus Financial Corp. and NBSC will effect their strategic combination by causing NBSC to merge with Synovus Financial Corp. (or a wholly-owned subsidiary of Synovus). After the combination, in accordance with our customary policies, and in furtherance of NBSC's long-term strategic plan and style of doing business, National Bank of South Carolina ("Bank") will continue to operate under its current name and charter, under the direction of its own Board of Directors and management, and in pursuit of its mission to serve South Carolina with quality community-based banking services. The merger will be structured to qualify as a tax-free exchange of all outstanding shares of NBSC for Synovus common stock, and must be accounted for as a pooling of interests.

Boards of Directors

One representative of Synovus may be added to the Board of Directors of Bank upon consummation of the merger. Two new seats upon the Synovus Board of Directors will be offered to representatives of NBSC at our 1995 meeting.

Post Office Box 120/Columbus, Georgia 31902/(706) 649-2197/FAX (706) 649-2479

Assumptions; Representations

In making this proposal, we are making certain assumptions regarding the condition of NBSC, including the assumptions contained on Confidential Exhibit "A" hereto.

In making this proposal, we also are relying on your assurances that the forms, reports and documents filed by NBSC with the Securities and Exchange Commission, including, without limitation, any financial statements or schedules included therein, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

We understand that, in considering our proposal, NBSC is relying on our assurances that the forms, reports and documents filed by Synovus with the Securities and Exchange Commission, including, without limitation, any financial statements or schedules included therein, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Employment Agreements; Change in Control

The employment of Messrs. Royall and Pherigo with NBSC and Bank shall be continued subsequent to the merger. Their employment agreements shall be modified as mutually agreeable to integrate such individuals in Synovus' senior executive compensation structure. Synovus would acknowledge that, upon the effectiveness of the merger, the stock options and restricted stock held by such individuals would vest fully according to existing agreements. Each of such individuals would agree that neither the merger, nor any mutually agreed to plan for such individual's role in the management of the combined entities, nor any mutually agreed to amendment to his employment agreement would give such individual "Good Reason" (as defined in his employment agreement) to terminate his employment with NBSC.

Due Diligence Reviews

Synovus and NBSC will each immediately conduct a due diligence investigation of the other. Each will use its best efforts to complete such due diligence review as quickly as possible.

Exchange Ratio

Upon consummation of the merger, Synovus will issue shares of its common stock for each share of NBSC common stock computed using the table set forth in Schedule "1" hereto.

In the event that NBSC or Synovus changes the number of shares of NBSC common stock or Synovus common stock, respectively, issued and outstanding prior to the effective date of the merger as a result of a stock split, stock dividend, recapitalization, or other similar transaction, the exchange ratio shall be proportionately adjusted.

If the average closing price of Synovus common stock on the New York Stock Exchange during any consecutive 30 trading day period (with the first of such measurement periods to begin on the date of the execution of a definitive merger agreement and the last of such periods to end on the date immediately preceding the effective date of the merger), is less than \$18 per share, NBSC's Board of Directors shall have the right, exercisable within ten (10) days after the end of such measurement period, to abandon the merger, without any further obligation to Synovus.

If the average closing price of Synovus common stock on the New York Stock Exchange during any consecutive 30 trading day period (with the first of such measurement periods to begin on the date of the execution of a definitive merger agreement and the last of such periods to end on the date immediately preceding the effective date of the merger), exceeds \$25 per share, Synovus shall have the right, exercisable within ten (10) days after the end of such measurement period, to abandon the merger, without any further obligation to NBSC or any of its shareholders (unless NBSC elects to reduce the 1.6842:1 exchange ratio set forth on Schedule "1" to a level which equals the dollar value of Synovus common stock which NBSC shareholders would have received if such average closing price was \$25 per share).

Option Plans

On the effective date of the merger, all options to purchase NBSC common stock granted by NBSC under stock option plans that are outstanding on the effective date of the merger shall be converted into and become options to purchase Synovus common stock. The number of shares of Synovus common stock issuable upon exercise of each such option and the applicable per share exercise price shall be adjusted to reflect the exchange ratio applicable to the merger.

Related Agreements

Our proposal is based and conditioned on the understanding that, if NBSC accepts our proposal, then, at the same time that we enter into this letter of intent, Synovus and NBSC (and/or such NBSC shareholders as may be appropriate) will enter into such additional agreements as will, to the mutual satisfaction of NBSC and Synovus, have the effect of increasing the assurance that our strategic combination will be consummated.

No Conflicting Transactions

Subject to the qualifications set forth below respecting the exercise of the fiduciary duties of NBSC's Board of Directors, NBSC agrees that from the date NBSC executes this letter of intent, and for so long as this letter shall be in effect, it shall not: (a) seek, or agree, to cause the merger of NBSC or Bank with any other person or entity; (b) seek, or agree, to cause the sale by NBSC of the capital stock of Bank to any other person or entity; or (c) directly or indirectly, through any of its (or Bank's) officers, directors, employees or agents, or otherwise, initiate or solicit any inquiries, or the making of any proposal with respect to any Acquisition Transaction (as defined in Confidential Exhibit "A") except where the failure to do so would constitute a breach of the fiduciary duties of the Board of Directors of NBSC (as determined in good faith after consultation with counsel); provided, however, that such agreements on the part of NBSC shall terminate immediately in the event Synovus advises NBSC in writing that Synovus has determined not to proceed with the merger as a result of its due diligence review or otherwise.

Disclosure Restrictions

From the date NBSC executes this letter of intent, no public disclosure, press release or announcement shall be made with respect to the transactions encompassed by this letter of intent without the approval of Synovus and NBSC, which shall not be unreasonably withheld or delayed; provided, however, that this obligation shall not be deemed to prohibit any party from making any disclosure which its counsel deems necessary in order to fulfill such party's obligations under the federal securities laws.

Costs and Expenses

Synovus and NBSC shall each pay its own respective expenses in connection with the preparation, execution and delivery of this letter of intent, including, but not limited to, the fees and expenses of its respective counsel, accountants, brokers and investment bankers.

It is understood that (except for the provisions hereof under the captions "No Conflicting Transactions," "Disclosure Restrictions" and "Costs and Expenses") this letter constitutes a statement of our mutual intentions with respect to the proposed merger and summarizes certain of the principal provisions proposed to be included in a definitive merger agreement. It also specifies our agreement as to the basis on which we will proceed from this point forward as we negotiate a definitive merger agreement. We each acknowledge that (except for such provisions) this letter does not constitute a binding obligation of Synovus or NBSC. A binding commitment with respect to the merger will result only from the execution of a definitive merger agreement. The provisions hereof under the captions "No Conflicting Transactions," "Disclosure Restrictions" and "Costs and Expenses" are intended to, and are agreed to, constitute legally binding obligations of Synovus and NBSC.

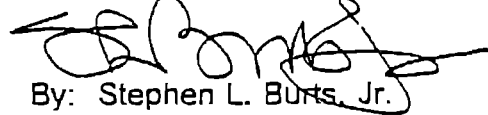
If executed by the parties, this letter of intent shall terminate upon the earlier to occur of (i) the execution and delivery of a definitive merger agreement with respect to the transactions contemplated hereby or (ii) the close of business on October 28, 1994.

We hope these general terms and conditions are acceptable to you and your Board. We certainly believe that a strategic combination of NBSC and Synovus will make a terrific affiliation and allow our combined entities to grow and prosper and make a real difference in the communities we serve.

Please indicate your acceptance by signing below on both copies and returning one to my attention by fax (706-649-2342). Please let me hear from you at your earliest convenience but in any event, by the close of business on October 7, 1994 at which this time this proposal shall expire.

Sincerely,

SYNOVUS FINANCIAL CORP.

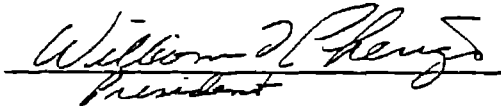


By: Stephen L. Burts, Jr.

SLB/kd

NBSC CORPORATION

Accepted by:



William J. Pheng
President

October 5, 1994
Date

SCHEDULE "1"

Conversion Ratio Table

The conversion ratio of shares of Synovus common stock for NBSC common stock to be issued upon consummation of the merger shall be computed using the following table:

| <u>Average of the Closing Prices Per Share of Synovus Common Stock for the 30 Trading Days ending on the Day Before the Effective Date of the Merger ("Per Share Amount")</u> | <u>Per Share Ratio of Conversion – Shares of Synovus Common Stock To NBSC Common Stock</u> |
|---|--|
| \$19.00 | 1.6842:1 |
| 18.75 and below | 1.7067:1 |

In the event the above-described average of the closing prices per share of Synovus common stock is greater than \$18.75 per share but less than \$19.00 per share, such conversion ratio shall be interpolated and arrived at in a manner consistent with the applicable provisions of this table.

Subject to the provisions of the letter of intent under the caption "Exchange Ratio," the minimum conversion ratio of shares of NBSC common stock upon consummation of the merger shall be 1.6842:1.

The maximum conversion ratio of shares of Synovus common stock for shares of NBSC common stock upon consummation of the merger shall be 1.7067:1.