



Rating Action: Moody's Ratings assigns new Pinnacle Financial Partners' long-term issuer rating at Baa3 following merger; outlook stable

02 Jan 2026

New York, January 02, 2026 -- Moody's Ratings (Moody's) has assigned a long-term issuer rating of Baa3 to the new Pinnacle Financial Partners, Inc. (New Pinnacle), domiciled in Georgia. This action is the result of the merger of both old Pinnacle Financial Partners, Inc. (domiciled in Tennessee; Old Pinnacle) and Synovus Financial Corp. (Synovus Financial) with and into the recently formed New Pinnacle. The outlook for the long-term issuer rating of New Pinnacle is stable.

In the same action, we downgraded Old Pinnacle's long-term issuer rating to Baa3 from Baa2 and changed the outlook on the long-term issuer rating to stable from ratings under review and will withdraw the rating and outlook of Old Pinnacle.

Also, as part of the merger transaction, Pinnacle Bank, a Tennessee-chartered bank, became a member bank of the Federal Reserve System, and immediately following the effectiveness of this membership, Synovus Bank, a Georgia-chartered bank merged with and into Pinnacle Bank, with Pinnacle Bank (now a subsidiary of New Pinnacle) continuing as the surviving entity. As part of our action, we downgraded Pinnacle Bank's long-term issuer rating from Baa2 to Baa3, long-term deposit rating to A3 from A2 and baseline credit assessment (BCA) and adjusted BCA to baa2 from baa1. Pinnacle Bank's outlook on the long-term issuer and deposit ratings was changed to stable from ratings under review.

Lastly, following the merger with and into Pinnacle Bank, we will withdraw all ratings and assessments of Synovus Bank, the bank subsidiary of Synovus Financial as well as its outlooks.

A complete list of affected ratings and assessments for entities within both banking groups can be found at the end of this press release.

RATINGS RATIONALE

The rating action follows the completion of the all-stock merger transaction that became effective on 1 January 2026. As a merger of equals, we view the cultural and operational integration risk as high. We view this execution risk as credit negative, particularly for transformational mergers that include sizable and time-consuming systems and personnel integrations. There may also be cultural risks associated with the merger of equals that are often not present in smaller transactions, such as the blending of disparate risk appetites. Indeed, it can take years and significant expense to fully integrate similarly sized firms, including all of its businesses, people and platforms. We therefore consider this merger as indicative of a relatively high risk appetite. However, if successfully integrated, we view the long-term benefits of the combined franchise with expected incremental improvements to post-closing capital, profitability and liquidity to ultimately lead to an improved credit quality.

The merger creates a commercially focused, yet still commercial real estate concentrated, US regional bank with combined assets of \$116 billion (pro forma) operating in the Southeast region. The banks have relatively limited overlap in their branch footprints which reduces the complexity of front-line integration and potential customer disruption yet decreases the cost-saving opportunity. The combined bank will adopt Pinnacle Bank's high growth operating model while it will leverage Synovus Bank's relative sophistication and recent investment in establishing the people, processes and technology infrastructure to become a larger bank.

On a pro-forma basis, the combined bank is expected to have a common equity tier 1 (CET 1) capital ratio of approximately 10.1%. This is lower than the 10.8% and 11.2% CET 1 ratios that Old Pinnacle and Synovus

Financial reported for 30 September 2025, respectively. While the all-stock nature of the transaction is credit positive, we view this initial reduction in capital as credit negative. That said, at the close of the merger, the unrealized losses in the available-for-sale securities portfolio (AFS) will be manageable. The estimated impact of accumulated other comprehensive income on the proforma CET 1 ratio was roughly a 20 basis points reduction at close which compares favorably to peers. The bank expects to build its CET 1 ratio back above 11% by the end of 2027.

With over \$100 billion in assets, the combined bank will become subject to more stringent regulatory requirements and supervision, a credit positive. Specifically, it will become a Category IV bank under U.S. banking regulations and be subject to enhanced standards for risk management and capital and liquidity stress testing. As a result, the combined bank is expected to increase its stock of liquid assets, a positive for the bank's liquidity profile. From a funding perspective, the merger will result in higher pro forma cost of deposits than Synovus Bank standalone but improves Pinnacle Bank's deposit cost as it tends to rely more heavily on higher cost brokered deposits.

The combination provides New Pinnacle with additional scale and investment capacity necessary to compete with larger banks while also working towards meeting heightened regulatory expectations. It is forecasting a run-rate return of average assets (ROAA) of 1.38% by the end of 2027 and is expected to be one of the most efficient banks for its peer group. This compares to the ROAA of 1.31% and 1.25% that Synovus Financial and Old Pinnacle reported for 3Q25, respectively.

We expect the combined bank's level of core banking liquidity to improve as it becomes subject to more stringent supervisory expectation surrounding liquidity risk management. We view the bank's funding structure as an overall strength for the ratings and we expect deposit stability to be maintained going forward for the combined bank as it navigates the merger.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

New Pinnacle and Pinnacle Bank's BCA and ratings could be upgraded if the bank manages to smoothly integrate the two banks so that operational and cultural risks are well managed and the bank tempers its organic and acquisitive growth strategy as it becomes a more mature institution. Positive rating action would also depend on the bank maintaining its Moody's Ratings adjusted tangible common equity to risk weighted assets (TCE/RWA) above 10% while achieving the earnings targets established at the onset of the merger and maintaining solid and stable asset quality.

New Pinnacle and Pinnacle Bank's BCA and ratings could be downgraded should significant integration challenges emerge or if TCE/RWA falls sustainably below 10% while net income to tangible assets is also expected to be maintained below 1.0%. Evidence of significant deposit attrition and/or deterioration in asset quality would also pressure the ratings.

LIST OF AFFECTED RATINGS

Issuer: Pinnacle Financial Partners, Inc. (New Pinnacle)

Assignments:

.... LT Issuer Rating (Local Currency), Assigned Baa3 STA

Outlook Actions:

....Outlook, Assigned Stable

Issuer: Pinnacle Financial Partners, Inc. (Old Pinnacle)

Downgrades:

.... LT Issuer Rating (Local Currency), Downgraded to Baa3 STA from Baa2 RUR

Outlook Actions:

....Outlook, Changed To Stable From Rating Under Review

Issuer: Pinnacle Bank

Downgrades:

- Adjusted Baseline Credit Assessment, Downgraded to baa2 from baa1
- Baseline Credit Assessment, Downgraded to baa2 from baa1
- LT Counterparty Risk Assessment, Downgraded to Baa1(cr) from A3(cr)
- LT Counterparty Risk Rating (Foreign Currency), Downgraded to Baa2 from Baa1
- LT Counterparty Risk Rating (Local Currency), Downgraded to Baa2 from Baa1
- LT Issuer Rating (Local Currency), Downgraded to Baa3 STA from Baa2 RUR
- ST Bank Deposits (Local Currency), Downgraded to P-2 from P-1
- LT Bank Deposits (Local Currency), Downgraded to A3 STA from A2 RUR

Affirmations:

- ST Counterparty Risk Assessment, Affirmed P-2(cr)
- ST Counterparty Risk Rating (Foreign Currency), Affirmed P-2
- ST Counterparty Risk Rating (Local Currency), Affirmed P-2

Outlook Actions:

-Outlook, Changed To Stable From Rating Under Review

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in November 2025 and available at <https://ratings.moodys.com/rmc-documents/454566>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

Pinnacle Bank has an assigned BCA of baa2 that is set two notches below the "Financial Profile" initial score of a3 to reflect our view of the asset risk and merger integration risks associated with its acquisitive growth strategy.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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