Synovus Financial Corp.

Basel III Regulatory Capital Disclosures Report

September 30, 2024

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DEFINED TERMS

ACL	Allowance for credit losses (applies to debt securities, loans, and unfunded loan commitments)
ALCO	Synovus' Asset Liability Management Committee
ALL	Allowance for loan losses
AOCI	Accumulated other comprehensive income (loss)
ATM	Automatic teller machine
Basel III	The third Basel Accord developed by the Basel Committee on Banking Supervision to strengthen existing regulatory capital requirements
Basel III Rules	Final capital rules adopting the Basel III capital framework approved by U.S. federal regulators in 2013
BHC Act	Bank Holding Company Act of 1956, as amended
Board	The Company’s Board of Directors
bp(s)	Basis point(s)
C&I	Commercial and industrial
CCB	Capital Conservation Buffer
CECL	Current expected credit losses
CET1	Common Equity Tier 1 Capital defined by Basel III capital rules
CME	Chicago Mercantile Exchange
Company	Synovus Financial Corp. and its wholly-owned subsidiaries, except where the context requires otherwise
CRE	Commercial real estate
CSA	Credit support annex
DTL	Deferred tax liability
EVE	Economic value of of equity
Federal Reserve Bank	One of the 12 banks that are the operating arms of the U.S. central bank. They implement the policies of the Federal Reserve Board, supervise bank holding companies and certain banking institutions, and conduct economic research.
Federal Reserve Board	The 7-member Board of Governors that oversees the Federal Reserve System, establishes monetary policy (interest rates, credit, etc.), and monitors the economic health of the country. Its members are appointed by the President subject to Senate confirmation and serve 14-year terms.
Federal Reserve System or Federal Reserve	The Federal Reserve Board, plus the 12 Federal Reserve Banks, with each one serving member banks in its own district. The Federal Reserve has broad regulatory powers over the money supply and the credit structure of the economy.
FHLB	Federal Home Loan Bank
FRB	Federal Reserve Bank
GA DBF	Georgia Department of Banking and Finance
GAAP	Generally Accepted Accounting Principles in the United States of America
HVCRE	High volatility commercial real estate
ISDA	International Swaps and Derivatives Association, Inc.

NAICS	North American Industry Classification System
NRSRO	Nationally recognized statistical ratings organization
OTC	Over the counter (derivatives which are not centrally cleared)
Parent Company	Synovus Financial Corp.
PSE	Public sector entity
RPA	Risk participation agreement
RWA	Risk-weighted assets
SEC	U.S. Securities and Exchange Commission
SPE	Special purpose entity
SSFA	Simplified supervisory formula approach
Synovus	Synovus Financial Corp.
Synovus' 2023 Form 10-K	Synovus' Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission by Synovus Financial Corp.
Synovus' September 30, 2024 Form 10-Q	Synovus' Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, filed with the Securities and Exchange Commission by Synovus Financial Corp.
Synovus Bank	A Georgia state-chartered bank and wholly-owned subsidiary of Synovus, through which Synovus conducts its banking operations
Synovus Securities	Synovus Securities, Inc., a wholly-owned subsidiary of Synovus
Synovus Trust	Synovus Trust Company, N.A., a wholly-owned subsidiary of Synovus Bank
U.S.	United States
Visa	The Visa U.S.A. Inc. card association or its affiliates, collectively
Visa Class A shares	Class A shares of common stock issued by Visa are publicly traded shares which are not subject to restrictions on sale
Visa Class B shares	Class B shares of common stock issued by Visa which are subject to restrictions with respect to sale until all the Covered Litigation has been settled. Class B shares will be convertible into Visa Class A shares using a then current conversion ratio upon the lifting of restrictions with respect to sale of Visa Class B shares
Visa Derivative	A derivative contract with the purchaser of Visa Class B shares which provides for settlements between the purchaser and Synovus based upon a change in the ratio for conversion of Visa Class B shares into Visa Class A shares

BACKGROUND AND OVERVIEW

Basel III is a set of international banking measures that established a framework to strengthen the regulation, supervision, and risk management of banks. Under the Basel III Rules, Synovus is designated as a standardized approach bank.

With respect to capital adequacy, Basel III Rules include a standardized approach for components of capital ratios including risk-weightings of assets and off-balance sheet exposures, as well as other adjustments, to derive the regulatory capital ratios. Synovus is currently not subject to the U.S. market risk capital rule, which applies only to banking institutions with significant trading activity.

This document and certain of the Company's public filings present the Regulatory Capital Disclosures in compliance with Basel III as described in Section 63 of the final rule. Synovus' 2023 Form 10-K and September 30, 2024 Form 10-Q contain management's discussion and analysis of the overall risk profile of the Company and related management strategies. The information presented herein should be read in conjunction with our 2023 Form 10-K, September 30, 2024 Form 10-Q, as well as the Consolidated Financial Statements for Holding Companies - FR Y-9C dated September 30, 2024. A disclosure index is provided in Appendix 1 of this report, which specifies where all disclosures required by Basel III Rules are located.

SCOPE OF APPLICATION

General

Synovus Financial Corp. is a financial services company and a registered bank holding company headquartered in Columbus, Georgia. We provide commercial and consumer banking in addition to a full suite of specialized financial products and services including private banking, treasury management, wealth management, mortgage services, premium finance, asset-based lending, structured lending, capital markets, and international banking. At September 30, 2024, Synovus had total consolidated assets of $59.59 billion and consolidated deposits of $50.19 billion with 247 branches and 360 ATMs across our five state footprint in Alabama, Florida, Georgia, South Carolina, and Tennessee.

Throughout this report, references to "Synovus," "we," "our," "us," "the Company," and similar terms refer to the consolidated entity consisting of Synovus Financial Corp. and its subsidiaries unless the context indicates that we refer only to the Parent Company, Synovus Financial Corp. When referenced herein, "Bank" or "Synovus Bank" refers to our wholly-owned bank subsidiary, Synovus Bank.

Additional information relating to our business and our subsidiaries, including a detailed description of our financial results for the years ended December 31, 2023, and 2022, and quarter ended September 30, 2024 is contained in "Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Synovus' 2023 Form 10-K and "Part I - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our September 30, 2024 Form 10-Q, respectively.

Non-bank Subsidiaries

In addition to our banking operations, we also provide various other financial services to our clients through the following direct and indirect wholly-owned non-bank subsidiaries:

- Synovus Securities, headquartered in Columbus, Georgia, which specializes in professional portfolio management for fixed-income securities, investment banking, the execution of securities transactions as a broker/dealer, asset management and financial planning services, and the provision of individual investment advice on equity and other securities; and
- Synovus Trust, headquartered in Columbus, Georgia, which provides trust, asset management, and financial planning services.

Basis of Consolidation

The consolidated financial statements of Synovus include the accounts of the Parent Company and its consolidated subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The accounting and financial reporting policies of Synovus are in accordance with GAAP and conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. For additional information, refer to "Part II - Item 8. Financial Statements and Supplementary Data - Note 1 - Summary of Significant Accounting Policies" in Synovus' 2023 Form 10-K and "Part I - Item 1. Financial Statements and Supplementary Data - Note 1 – Basis of Presentation and Accounting Policies" in Synovus' September 30, 2024 Form 10-Q.

Regulation of the Company

We are registered as a bank holding company with the Federal Reserve under the BHC Act and have elected to be treated as a financial holding company. As such, we are subject to comprehensive supervision and regulation by the Federal Reserve and are subject to its regulatory reporting requirements. Federal regulations subject bank holding companies, such as Synovus, to restrictions on the types of activities in which they may engage, and to a range of supervisory requirements. In addition, the GA DBF regulates the banking activities of Georgia-chartered banks, such as us, under certain bank statutes of the State of Georgia. Various federal and state agencies regulate and supervise other of Synovus' activities including our brokerage, investment advisory, and insurance agency activities. Such agencies include, but are not limited to, the SEC, the Financial Industry Regulatory Authority, other federal and state banking regulators, and various state regulators of insurance and brokerage activities.

Forward-Looking Statements

Certain statements made or incorporated by reference in this Report, which are not statements of historical fact, constitute forward-looking statements within the meaning of, and subject to the protections of, Section 27A of the Securities Act and Section 21E of the Exchange Act.

All statements other than statements of historical fact are forward-looking statements. You can identify these forward-looking statements through Synovus' use of words such as “believes,” “anticipates,” “expects,” “may,” “will,” “assumes,” “predicts,” “could,” “should,” “would,” “intends,” “targets,” “estimates,” “projects,” “plans,” “potential,” and other similar words and expressions of the future or otherwise regarding the outlook for Synovus' future business and financial performance and/or the performance of the financial services industry and economy in general. Forward-looking statements are based on the current beliefs and expectations of Synovus' management and are subject to significant risks and uncertainties. Actual results may differ materially from those contemplated by such forward-looking statements. A number of factors could cause actual results to differ materially from those contemplated by the forward-looking statements in this document. Many of these factors are beyond Synovus' ability to control or predict.

For a discussion of these and other risks that may cause actual results to differ from expectations, refer to “Part I - Forward-Looking Statements” and “Item 1A. Risk Factors” of our 2023 Form 10-K and “Part I - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements” of our September 30, 2024 Form 10-Q. All written or oral forward-looking statements that are made by or are attributable to Synovus are expressly qualified by this cautionary notice. You should not place undue reliance on any forward-looking statements since those statements speak only as of the date on which the statements are made. Synovus undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of new information or unanticipated events, except as may otherwise be required by law.

CAPITAL STRUCTURE

Summary of Capital

Synovus and Synovus Bank have issued a variety of capital instruments to maintain a robust and efficient capital position while also meeting various regulatory capital requirements. Currently, Synovus' capital structure primarily consists of the following elements:

- CET1 capital, which includes primarily common shareholders' equity, subject to certain regulatory adjustments and deductions;
- Additional Tier 1 capital, which includes perpetual preferred stock and certain qualifying capital instruments; and
- Tier 2 capital, which primarily includes qualifying subordinated and junior subordinated debt as well as qualifying ACL.

For further information on the Company's capital instruments and regulatory requirements, please refer to “Note 8 - Other Short-term Borrowings and Long-term Debt,” “Note 9 - Shareholders' Equity and Other Comprehensive Income,” and “Note 10 - Regulatory Capital” in “Part II - Item 8. Financial Statements and Supplementary Data” of our 2023 Form 10-K, and “Note 4 – Shareholders' Equity and Other Comprehensive Income (Loss)” in “Part I - Item 1. Financial Statements and Supplementary Data" and “Table 10 - Capital Ratios” in “Part I - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Synovus' September 30, 2024 Form 10-Q.

The following table reflects Synovus' consolidated regulatory capital position as of September 30, 2024.

Table 1 Regulatory Capital Tiers

(dollars in thousands)

	September 30, 2024
CET1 Capital	
Common stock, \$1.00 par value	\$ 172,077
Additional paid-in capital	3,976,706
Retained earnings	2,610,964
Accumulated other comprehensive income (loss), net	(773,786)
Treasury stock	(1,167,130)
Total common shareholders' equity	**4,818,831**
Effect of CECL transition impact on retained earnings [1]	14,576
Noncontrolling interest in subsidiary	22,195
Common equity tier 1 before adjustments and deductions	4,855,602
Less: Effect of certain items in AOCI excluded from CET1 Capital	(773,786)
Less: Goodwill, net of associated DTLs	468,085
Less: Intangible assets, net of associated DTLs	28,892
Less: Deferred tax assets arising from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs	24,593
Less: All other deductions	150
CET1 Capital	**5,107,668**
Preferred stock	537,145
Tier 1 Capital	**5,644,813**
Qualifying Tier 2 Capital instruments	369,418
Qualifying adjusted allowance for credit losses [1][2]	515,029
Tier 2 Capital	884,447
Total Capital	**\$ 6,529,260**

[1] Reflects the CECL transition impact based on the Revised CECL Transition Rule.
[2] ACL included in Tier 2 Capital is limited to 1.25% of risk-weighted assets and includes the ALL and the allowance for credit losses on off-balance sheet credit exposures (i.e., unfunded lending commitments) recorded in other liabilities.

CAPITAL ADEQUACY

Synovus believes that prudent capital management is at the center of ensuring that we can sustainably fulfill our corporate objectives and mission, which includes bettering our clients, our communities, and our broader set of stakeholders. Capital management at Synovus is facilitated by a multi-faceted approach that leverages our Board approved risk appetite framework along with baseline and stressed scenario modeling which, collectively, informs the on-going assessment and management of our capital position.

This framework is effectuated and governed at a management-level within our ALCO process and is further reported and governed within Board-level committees. Synovus' capital position and risk appetite are reviewed on an on-going basis through that framework to ensure that the Company appropriately considers a range of potential risks and factors in developing its strategic approach to capital management.

The following table outlines Synovus' standardized approach risk-weighted assets as of September 30, 2024, using the categorization based on the standardized definitions.

Table 2   Standardized Approach Risk-Weighted Assets

(dollars in thousands)

	September 30, 2024	
	Risk-Weighted Asset Amount	
Exposures to U.S. Government sponsored enterprises and agencies	$	1,668,042
Exposures to PSEs		665,980
Corporate exposures		32,663,014
Residential mortgages exposures		4,579,221
Statutory multifamily mortgage exposures		240,147
HVCRE loans		36,465
Past due and non-accrual loans		373,032
Other loans		1,230,984
Allowance for loan losses		—
Other assets		1,415,701
Equity exposures		111,373
Trading assets		13,719
On-balance sheet securitization exposures		408,739
Total on-balance sheet assets		43,406,417
Letters of credit		141,399
Loan commitments with original maturity within 1 year		324,679
Loan commitments with original maturity over 1 year		3,881,538
Off-balance sheet securitization exposures		111,585
Other off-balance sheet items		142,778
Total off-balance sheet items		4,601,979
Less: Excess of ACL		—
Total	**$**	**48,008,396**

For further details about the Company's risk-weighted assets, refer to the Schedule HC-R in the Consolidated Financial Statements for Holding Companies - Form FR Y-9C for September 30, 2024. During April 2024, Synovus commenced risk-weighted asset optimization efforts that included analyzing and documenting eligibility of certain loans for reduced risk weighting. See Synovus' Form 8-K filed May 6, 2024 for additional information.

CAPITAL RATIOS AND CAPITAL CONSERVATION BUFFER

Regulatory Capital Ratios

Under the Basel III standardized approach, Synovus and Synovus Bank are subject to minimum capital ratios for CET1 capital, Tier 1 capital, and Total Risk-Based capital of 4.5%, 6.0%, and 8.0%, respectively. The Basel III Rules also provide for a minimum CCB of 2.5% in addition to the minimum capital to RWA ratios. The CCB is designed to provide an additional buffer against losses during periods of economic stress, thereby guarding against banks falling below the minimum regulatory capital levels.

The CCB of a given institution is calculated as the lowest of the: (i) CET1 ratio less the CET1 stated minimum requirement, (ii) Tier 1 ratio less the Tier 1 stated minimum requirement, and (iii) Total Capital ratio less the Total Capital stated minimum requirement. At September 30, 2024, the CCB for Synovus and Synovus Bank were 5.60% and 5.08%, respectively, which were in excess of the mandatory 2.5% minimum CCB. As such, Synovus is not currently subject to any limitations as a result of failing to maintain capital levels above the CCB minimum threshold.

Basel III requires a calculation of eligible retained income. Eligible retained income is the greater of (i) the banking organization's net income for the four preceding calendar quarters, net of any distributions and associated tax effects not already reflected in net income, and (ii) the average of the banking organization's net income over the preceding four quarters. Synovus' eligible retained earnings at September 30, 2024 was $90.6 million.

The following table summarizes regulatory capital information at September 30, 2024, for Synovus and Synovus Bank.

Table 3 Regulatory Capital Ratios

	September 30, 2024			
	Actual	Stated Minimum Ratios	Capital Conservation Buffer	Minimum Capital Conservation Buffer
Synovus Financial Corp.				
CET1 capital	10.64%	4.50%	6.14%	2.50%
Tier 1 capital	11.76%	6.00%	5.76%	2.50%
Total capital	13.60%	8.00%	5.60%	2.50%
Synovus Bank				
CET1 capital	11.60%	4.50%	7.10%	2.50%
Tier 1 capital	11.60%	6.00%	5.60%	2.50%
Total capital	13.08%	8.00%	5.08%	2.50%

CREDIT RISK: GENERAL DISCLOSURES

Credit Risk

Credit risk is the risk of losses if our borrowers do not fully repay their loans or if our counterparties fail to perform according to the terms of their contracts. Synovus takes a comprehensive approach to credit risk management that includes multiple lines of defense, a robust centralized credit process, strong underwriting standards, a credit risk appetite framework, a closely monitored concentration policy, and the use of market and portfolio analysis to continuously monitor the credit portfolio by industry, property type, and geography. Additionally, our risk grading process is well-defined and is subject to independent review.

Credit Risk Exposures

The following table provides the distribution of credit exposure by geography as of September 30, 2024.

Table 4 Credit Exposure by Geography

(dollars in thousands)

	September 30, 2024				
	C&I	CRE	Consumer	Total	Percent of Total Funded
Florida	$ 5,395,706	$ 4,734,557	$ 2,415,515	$ 12,545,778	29.1 %
Georgia	4,364,950	2,868,990	2,906,023	10,139,963	23.5
South Carolina	1,576,718	1,202,026	793,696	3,572,440	8.3
Alabama	1,799,484	728,327	755,839	3,283,650	7.6
Tennessee	464,338	496,625	485,595	1,446,558	3.4
Other [1]	9,062,801	2,146,959	922,525	12,132,285	28.1
Total Funded	$ 22,663,997	$ 12,177,484	$ 8,279,193	$ 43,120,674	100.0 %
Total Unfunded	10,116,686	1,973,849	3,203,267	15,293,802	
Total	**$ 32,780,683**	**$ 14,151,333**	**$ 11,482,460**	**$ 58,414,476**	

[1] Includes states outside our footprint and no single state is over 5%.

For purposes of the following table, “industry” is defined as two-digit NAICS industry code for the C&I loan portfolio, property type for the commercial real estate portfolio, and product type for the consumer portfolio.

Table 5 Credit Risk Exposures by Industry

(dollars in thousands)

	September 30, 2024	
C&I:	**Total**	**Percent of Total Loan Class**
Finance and insurance	$ 4,629,351	20.4%
Health care and social assistance	4,559,182	20.1%
Accommodation and food services	1,557,767	6.9%
Lessors of real estate	1,307,825	5.8%
Manufacturing	1,290,647	5.7%
Wholesale trade	1,258,319	5.6%
Retail trade	1,110,583	4.9%
Other industries(1)	1,102,258	4.9%
Construction	1,025,186	4.5%
Other services	880,782	3.9%
Professional, scientific, and technical services	865,777	3.8%
Transportation and warehousing	840,262	3.7%
Real estate and rental and leasing other	794,081	3.5%
Arts, entertainment, and recreation	544,319	2.4%
Public administration	459,447	2.0%
Educational services	438,211	1.9%
Total C&I	22,663,997	100.0%
CRE:		
Multi-Family	4,379,459	36.0%
Office Buildings	1,778,698	14.6%
Hotels	1,738,068	14.3%
Shopping Centers	1,260,460	10.4%
Warehouses	837,145	6.9%
Other investment property	1,352,719	11.1%
Investment properties	11,346,549	93.3%
1-4 family properties	528,130	4.3%
Land and development	302,805	2.4%
Total CRE	12,177,484	100.0%
Consumer:		
Consumer mortgages	5,323,443	64.3%
Home equity	1,809,286	21.9%
Credit cards	181,386	2.2%
Other consumer loans	965,078	11.6%
Total consumer	8,279,193	100.0%
Total Funded	43,120,674	
Total Unfunded	15,293,802	
Total Funded and Unfunded	**58,414,476**	

(1) Comprised of NAICS industries that are less than 1% of total C&I loans at September 30, 2024.

The following table displays the loan maturities by exposure type as of September 30, 2024.

Table 6 Loan Maturities by Exposure Type

(dollars in thousands)

	September 30, 2024			
	Less Than One Year	One Year through Five years	Greater Than Five Years	Total
C&I	$ 4,411,270	$ 13,576,009	$ 4,676,718	$ 22,663,997
CRE	3,866,282	7,357,575	953,627	12,177,484
Consumer	373,303	501,950	7,403,940	8,279,193
Total	$ 8,650,855	$ 21,435,534	$ 13,034,285	$ 43,120,674

The following table displays commitments and letters of credit maturities by exposure type as of September 30, 2024.

Table 7 Commitments and Letters of Credit Maturities by Exposure Type

(dollars in thousands)

	September 30, 2024		
	Less Than One Year	Greater Than One Year	Total [(1)]
Commitments to fund C&I	$ 3,377,207	$ 6,739,479	$ 10,116,686
Commitments to fund CRE	168,593	1,805,256	1,973,849
Commitments under home equity	125	2,115,020	2,115,145
Unused credit cards	452,273	—	452,273
Other loan commitments	29,381	606,468	635,849
Total	**$ 4,027,579**	**$ 11,266,223**	**$ 15,293,802**

(1) Includes $5.09 billion of unconditionally cancellable commitments which are not subject to risk-weighting per the regulatory capital rules.

The total gross and net charge-offs for the quarter ended September 30, 2024, were $34.1 million and $27.1 million, respectively, while total gross and net charge-offs for the nine months ended September 30, 2024, were $127.0 million and $105.9 million, respectively. Refer to "Part I - Item 1. Financial Statements - Note 3 - Loans and Allowance for Loan Losses" and "Part I - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Table 8 - Credit Quality Metrics" of our September 30, 2024 Form 10-Q for a roll forward of the allowance for loan losses and more information on total gross and net charge-offs.

Refer to "Part I - Item 1. Financial Statements - Note 3 - Loans and Allowance for Loan Losses" of our September 30, 2024 Form 10-Q for information on aging and accrual status for each portfolio segment and class. Refer to "Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Table 8 - Loan Maturities and Interest Rate Sensitivity" of our 2023 Form 10-K for a breakout of loan maturities by type at December 31, 2023.

Loans are classified as past due if the contractual amounts for principal and interest are not received within 30 days of the contractual due date. Synovus determines past due or delinquency status of a loan based on contractual payment terms. The following table displays the loans past due 30-89 days, loans past due 90+ days, and non-accrual loans by geography as of September 30, 2024.

Table 8 Past Due and Non-accrual Loans by Geography

(dollars in thousands)

	September 30, 2024		
	Accruing Loans		
	30-89 Days Past Due	90 or More Days Past Due	Non-Accrual Loans
Florida	$ 15,529	$ 635	$ 106,258
Georgia	17,101	73	80,139
South Carolina	7,004	207	23,994
Alabama	4,958	—	14,826
Tennessee	1,247	—	3,972
Other	47,031	3,444	83,775
Total	**$ 92,870**	**$ 4,359**	**$ 312,964**

The following table displays the loans past due 30-89 days, loans past due 90+ days, and non-accrual loans distributed by industry as of September 30, 2024.

Table 9 Past Due and Non-accrual Loans by Industry [1]

(dollars in thousands)

	September 30, 2024		
	Accruing Loans		
	30-89 Days Past Due	90 or More Days Past Due	Non-Accrual Loans
C&I:			
Healthcare and social assistance	$ 36,926	$ —	$ 20,836
Finance and insurance	75	—	157
Accommodation and food services	1,723	62	49,452
Manufacturing	891	—	3,881
Lessors of real estate	1,390	45	1,307
Wholesale trade	949	—	888
Retail trade	1,497	—	22,331
Construction	2,175	—	10,934
Professional, scientific, and technical services	897	—	1,725
Transportation and warehousing	667	—	23,049
Other services	6,366	1,829	5,414
Other industries	850	—	—
Real estate and rental and leasing other	847	—	701
Arts, entertainment, and recreation	158	—	230
Educational services	40	—	462
Administration, support, waste mgmt, and remediation	444	—	1,423
Agriculture, forestry, fishing, and hunting	25	—	5,282
Information	325	—	7,322
Total C&I	56,245	1,936	155,394
CRE:			
Multi-Family	—	—	1,692
Hotels	—	—	—
Office buildings	2,482	—	78,282
Shopping centers	—	—	523
Warehouses	383	—	164
Other investment property	—	610	1,610
Investment properties	2,865	610	82,271
1-4 family properties	820	162	2,844
Land and development	1,002	—	1,690
Total CRE	4,687	772	86,805
Consumer:			
Consumer mortgages	8,363	—	48,956
Home equity	10,600	—	15,837
Credit cards	1,589	1,615	—
Other consumer loans	11,386	36	5,972
Total consumer	31,938	1,651	70,765
Total	**$ 92,870**	**$ 4,359**	**$ 312,964**

[1] Industry is defined as two-digit NAICS industry code for the C&I loan portfolio, property type for the commercial real estate portfolio, and product type for the consumer portfolio.

Corporate and Other Debt Securities

The following table displays amortized cost for corporate and other debt securities distributed by geography as of September 30, 2024.

Table 10 Corporate and Other Debt Securities by Geography
(dollars in thousands)

	September 30, 2024	
	Amount	**Percent of Total**
California	$ 9,085	100.0%
Total	**$ 9,085**	**100.0%**

The following table displays amortized cost for corporate and other debt securities by industry as of September 30, 2024.

Table 11 Corporate and Other Debt Securities by Issuer Industry
(dollars in thousands)

	September 30, 2024	
	Amount	**Percent of Total**
Financial	$ 9,085	100.0%
Total	**$ 9,085**	**100.0%**

GENERAL DISCLOSURE FOR COUNTERPARTY CREDIT RISK – RELATED EXPOSURES

Counterparty credit risk is the risk arising from the possibility that a counterparty may fail to fulfill contractual obligations, thus resulting in a potential loss for Synovus. This risk is inherent in various types of transactions, the most notable for Synovus being through derivatives contracts. Synovus takes various measures to attempt to mitigate such risks, which includes an internally established counterparty monitoring and limit framework, as well as through the use of certain margining and collateral agreements.

To reduce the counterparty risk to various financial institutions, Synovus may clear derivatives transactions through a central counterparty clearing house, such as the CME. This further reduces counterparty credit risk and limits the use of OTC derivatives with financial institutions. In instances where Synovus enters into OTC contracts with financial institutions, such relationships are generally governed by ISDA/CSA agreements which provide for the posting of collateral based on terms which are generally broadly accepted among the industry. The collateral exchanged under those agreements generally includes cash and sovereign bonds, and terms may differ somewhat based on the posting party's credit ratings as determined by certain NRSROs. If Synovus' credit ratings experiences a significant downgrade, financial counterparties may demand additional collateral to uphold the trading relationship, leading to increased exposure.

The following table reflects the notional amount and fair value of derivative instruments as of September 30, 2024. Synovus netted variation margin against interest rate contracts to reflect amounts posted and received for derivatives cleared through central clearing houses.

Table 12 Derivative Financial Instruments

(dollars in thousands)

	September 30, 2024		
	Notional Amount	Asset Fair Value	Liability Fair Value
Derivatives in cash flow hedging relationships:			
Interest rate contracts	$ 4,600,000	$ —	$ 5,214
Total cash flow hedges	4,600,000	—	5,214
Derivatives in fair value hedging relationships:			
Interest rate contracts	$ 1,678,900	$ —	$ 866
Total fair value hedges	1,678,900	—	866
Total derivatives designated as hedging instruments	$ 6,278,900	$ —	$ 6,080
Derivatives not designated as hedging instruments:			
Interest rate contracts	$ 15,956,202	$ 83,792	$ 167,901
Mortgage derivatives – interest rate lock commitments	46,168	881	—
Mortgage derivatives – forward commitments to sell fixed-rate mortgage loans	60,500	—	191
Risk participation agreements	822,138	—	12
Foreign exchange contracts	135,225	—	1,229
Visa derivative	—	—	8,833
Total derivatives not designated as hedging instruments	$ 17,020,233	$ 84,673	$ 178,166

Synovus also enters into transactions possessing counterparty credit risk with various clients across our businesses. Such transactions are primarily related to client hedging of interest rate, foreign exchange, or other financial risks. The counterparty risk which stems from these transactions is typically underwritten by our credit risk management function in conjunction with an existing lending client, and as such, may be collateralized by real estate, working capital assets, securities, or other assets.

Synovus utilizes mortgage derivative instruments to manage the interest rate risk through the use of forward sales and forward commitments of Mortgage Backed Securities. These instruments are used to mitigate the interest rate risk associated with both the commitments to fund loans that have a firm interest rate lock and commitment to sell mortgage loans in the secondary market. These derivative and hedging instruments are marked to market at fair value in accordance with GAAP.

Synovus also enters into credit RPAs to share the credit exposure related to certain derivative contracts with other counterparties (risk participations purchased) or to assume counterparty credit exposure related to certain derivative contracts (risk participations sold). The Company enters into credit risk participation agreements in instances in which the Company is also party to a related loan participation agreement for such borrowers. Synovus will receive or make payments under these agreements if the borrower defaults on the derivative contract.

In an event of default, the lead bank has the ability to liquidate the assets of the borrower, and in which case the lead bank would be required to return a percentage of the recouped assets to the participating banks. Synovus manages the credit risk related to RPAs by monitoring the creditworthiness of the borrowers, which includes a standard credit underwriting process comparable to that which is done on direct borrowing relationships. As reported herein, the notional amount of RPAs reflects the pro-rata share of the derivative contract, which generally aligns with its share of the related participated loan and is not necessarily a reflection of the credit exposure associated with that counterparty relationship.

The following table summarizes the notional amounts of outstanding credit derivatives (including RPAs) as of September 30, 2024.

Table 13 Derivative Financial Instruments - Credit

(dollars in thousands)

	September 30, 2024	
	Purchased	Sold
Swap participations notional amounts	$ 310,281	$ 511,857

For additional information related to Synovus' derivatives exposures, refer to "Part II - Item 8. Financial Statements and Supplementary Data - Note 1 - Summary of Significant Accounting Policies" in Synovus' 2023 Form 10-K.

For a further discussion of the Company's credit derivatives, refer to "Part I - Item 1. Financial Statements - Note 6 - Derivative Instruments and Hedging Activities" of our September 30, 2024 Form 10-Q and Schedule HC-L, Derivatives and Off-Balance-Sheet Items, in the Company's Consolidated Financial Statements for Holding Companies - FR Y-9C dated September 30, 2024.

Credit Risk Mitigation

Risk Management

Synovus has a robust credit risk framework that sets risk appetites for performance metrics and forward-looking indicators, sets and enforces adherence to concentration limits, and monitors and scores counterparty risk. Each credit risk measure has a documented plan for remediation in the event that it moves outside of its stated risk appetite. Our internal management-level Credit Risk Committee has oversight of the credit risk framework and reports to the Risk Committee of the Board, which receives periodic reports from management and must approve the credit risk appetites annually.

Synovus accepts collateral such as real estate and liquid assets to mitigate against potential losses. Basel III Rules allow eligible financial collateral, eligible guarantees, and eligible credit derivatives to be recognized in the calculation of risk-weighted assets. When financial collateral is obtained that qualifies as eligible collateral under the Basel III Rules, the eligible collateral can be substituted for the collateralized portion of the credit exposure in the risk-weighted asset calculation. Synovus' eligible collateral is cash on deposit at Synovus Bank. For eligible guarantees received, the risk weight applicable to the eligible guarantor would apply to the exposure covered by the guarantee.

The general policies for Lending and Leasing Risk conform to GAAP, as well as bank regulatory authorities where applicable. These policies consist of the items noted below. Refer to "Part II - Item 8. Financial Statements and Supplementary Data - Note 1 - Summary of Significant Accounting Policies" and "Note 3 - Loans and Allowance for Loan Losses" of our 2023 Form 10-K and "Part I - Item 1. Financial Statements - Note 3 - Loans and Allowance for Loan Losses" of our September 30, 2024 Form 10-Q:

- Allowance methodology;
- Past due and non-accrual loans;
- Individually evaluated loans; and
- Charge-off of loans

In connection with derivative activities, credit risk is mitigated by entering into legally enforceable cross-collateralization and master netting agreements. When there are multiple transactions with a counterparty and there is a legally enforceable master netting agreement in place, the exposure represents the net of the gain and loss positions plus any collateral received from and/or posted to that counterparty.

Many of the interest rate derivatives products traded by Synovus are subject to mandatory clearing. The counterparty risk for cleared trades effectively moves from the executing broker to the clearinghouse allowing Synovus to benefit from the risk mitigation controls in place at the respective clearinghouse. Refer to "Part II - Item 8. Financial Statements and Supplementary Data - Note 13- Derivative Instruments " in our 2023 Form 10-K and "Part I - Item 1. Financial Statements - Note 6 - Derivative Instruments and Hedging Activities" of our September 30, 2024 Form 10-Q for a discussion of derivatives' credit risk.

The following table provides information regarding our credit risk exposures as of September 30, 2024, that are covered by eligible financial collateral.

Table 14 Eligible Financial Collateral (dollars in thousands)			
		September 30, 2024	
	Collateral Type	Exposure Amount Secured by Eligible Collateral	
Loans	Cash on deposit at Synovus Bank	$	352,139
Letters of Credit	Cash on deposit at Synovus Bank		41,711

The following table provides information regarding our credit risk exposures as of September 30, 2024, that are covered by eligible guarantees.

Table 15 Eligible Guarantees (dollars in thousands)					
		September 30, 2024			
	Guarantor	Exposure Amount		Risk-Weighted Assets	
Loans	U.S. government and agencies	$	49,760	$	9,376

SECURITIZATION

The Basel III rules define a securitization exposure as an exposure that meets the following criteria:

- All or a portion of the credit risk of one or more underlying exposures is transferred to one or more third parties;
- The credit risk associated with the underlying exposures has been separated into at least two tranches reflecting different levels of seniority;
- Performance of the securitization exposure depends on performance of the underlying exposures;
- All or substantially all of the underlying exposures are financial exposures;
- The underlying exposures are not owned by an operating company; and
- The underlying exposures are not owned by a small business investment company or related to a community development investment.

As of September 30, 2024, Synovus' securitization exposures consist of loans to SPEs (not sponsored by Synovus), which generally fulfill client requirements for working capital or long-term asset financing for underlying financial assets. Synovus does not currently hold any resecuritization or synthetic securitization exposures.

Securitization exposures entail various risks, including credit and seller risk. Credit risk emerges from the performance of the underlying asset pool, encompassing factors like payment rates, dilution, and write-offs/losses. Seller risk involves the risk of breach of representation or warranties regarding the underlying exposures or the failure to fulfill its obligations as per the securitization agreement.

Synovus' due diligence process evaluates factors that could significantly impact the performance of a securitization exposure. This process involves a detailed examination and ongoing monitoring of information related to the performance of the underlying financial exposures, pertinent market data, structural enhancements, and other features that influence the credit quality of a securitization, as well as the credit profile of the seller and servicer of the assets. In addition to transaction due diligence and underwriting, these procedures are periodically re-conducted for each securitization exposure.

Synovus employs a risk-weighting process for securitization exposures based on the SSFA framework outlined in the Basel III Standardized Approach. This approach utilizes a formulaic method to establish a base risk weight determined by the capital requirements of the underlying exposures, considering their seniority in the securitization structure and inherent risk factors in the underlying assets. Evaluation of the securitization tranche is conducted based on the subordination level, assigning higher risk weights to first-loss tranches compared to lower risk weights for more senior or secured tranches. The methodology also incorporates delinquencies in underlying assets and adjusts the capital requirement accordingly. The risk weight obtained through the SSFA calculation is subject to a 20% floor, ensuring that each exposure is assigned the higher of 20% or the calculated risk weight.

The following tables provide an overview of Synovus' securitization exposures governed by the SSFA framework, detailing capital requirements and the impact on risk-weighted assets.

Table 16 Securitizations by Exposure Type

(dollars in thousands)

	Balance Sheet Exposure	Off-Balance Sheet Exposure	Total Exposure
Loans	$ 1,985,803	$ 524,477	$ 2,510,280
Total	**$ 1,985,803**	**$ 524,477**	**$ 2,510,280**

Table 17 Securitizations by Capital Treatment and Risk Weight

(dollars in thousands)

	Exposure	SSFA Risk Weighted Assets	Capital Impact[1]
20% risk weighting	$ 2,415,280	$ 483,056	$ 38,644
20% - 100% risk weighting	95,000	37,268	2,981
Total	**$ 2,510,280**	**$ 520,324**	$ 41,625

[1]The capital impact of risk-weighted assets is calculated by multiplying each risk-weighted asset amount in the table above by the minimum total risk-based capital ratio of 8%.

EQUITIES NOT SUBJECT TO THE MARKET RISK RULE

Equity exposure refers to a security or instrument that represents a direct or an indirect ownership interest in, and is a residual claim on, the assets and income of a company. Synovus' equity exposures consist primarily of non-publicly traded investments in entities or funds that support community development initiatives, restricted equity investments in Federal Reserve Bank and Federal Home Loan Bank stock, and other miscellaneous investments.

The majority of public equity securities are mutual fund investments made in connection with employee deferred compensation plans. Public equity securities are recorded in other assets in our September 30, 2024 Form 10-Q and in equity securities without readily determinable fair values and other assets in the FR Y9-C. They are carried at fair value with unrealized net gains or losses reported in earnings. At September 30, 2024, Synovus held $47.5 million of exposures in mutual funds that relate to our non-qualified deferred compensation plans. There is an offsetting liability for these investments, and as a result, there is no impact to earnings or equity from these investments as changes in the fair value of the investments are recorded in income with an offsetting charge to personnel expense.

The majority of non-public equity securities are investments in community development initiatives, FRB common stock, and FHLB common stock. As members of the Federal Reserve System and FHLB, Synovus is required to purchase and hold shares of capital stock in the FRB and in the FHLB, respectively. Shares in the FRB and FHLB are recorded at amortized cost, which approximates fair value. Under regulatory rules, these equities are reported in other assets because they do not have readily determinable fair values.

The following table summarizes the balance sheet carrying value of Synovus's equity securities as of September 30, 2024, that are not subject to the Market Risk Rule.

Table 18 Book Value and Fair Value of Equity Exposures Not Subject to the Market Risk Rule

(dollars in thousands)

	September 30, 2024	
	Book Value	Fair Value
Non-publicly traded	$ 283,031	$ 283,031
Publicly traded	62,904	62,904
Total	**$ 345,935**	**$ 345,935**

The following table summarizes the capital requirements of equity investment exposures by risk-weighting as of September 30, 2024.

Table 19 Capital Requirements of Equity Investment Exposures by Risk-Weighting

(dollars in thousands)

	September 30, 2024		
	Risk-Weight Category	Exposure Amount	Risk-Weighted Asset Amount
Federal Reserve Bank stock	0%	$ 146,012	$ —
Federal Home Loan Bank stock	20%	54,861	10,972
Other	100%	97,578	97,578
Other [(1)]	Full Look Through	47,484	2,823
Total		**$ 345,935**	**$ 111,373**

[(1)] Mutual fund exposure related to non-qualified compensation plan.

Synovus had no realized gains/(losses) due to the sale and liquidation of equity securities during the three and nine months ended September 30, 2024. There were no significant unrealized gains/(losses) included in Tier 1 or Tier 2 capital at September 30, 2024.

INTEREST RATE RISK FOR NON-TRADING ACTIVITIES

Managing interest rate risk is a primary goal of the asset liability management function. Synovus attempts to achieve consistency in net interest income while limiting volatility arising from changes in interest rates. Synovus seeks to accomplish this goal by balancing the maturity and repricing characteristics of assets and liabilities along with the selective use of derivative instruments. The Company manages this exposure in accordance with policies that are established by ALCO and approved by the Risk Committee of the Board. ALCO meets periodically and has responsibility for developing asset liability management policies, reviewing the interest rate sensitivity of Synovus, and developing and implementing strategies to improve balance sheet structure and interest rate risk positioning.

For further information on interest rate risk and interest rate sensitivity analyses, refer to "Part II - Item 7A - Market Risk and Interest Rate Sensitivity" of our 2023 Form 10-K and "Part I - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Table 13 - Twelve Month Net Interest Income Sensitivity" of our September 30, 2024 Form 10-Q.

Appendix 1 Basel III Regulatory Capital Disclosure Matrix

Disclosure Requirement	**Description**	**Disclosures Report**	**September 30, 2024 Form 10-Q**	**2023 Form 10-K**
Scope of Application	Name of the top corporate entity	3	7	3
	Description of differences in basis for consolidating entities	3	7	71
	Restriction on transfers of funds or total capital within the group	6		8-10
	Aggregate amount of surplus capital of insurance subsidiaries	NA	NA	NA
	Aggregate amount of total capital that is less than minimum capital	NA	NA	NA
Capital Structure	Terms and conditions of capital instruments	4	56-57	8-9, 102-103
	Capital Components	4-5	57	53, 102-103
Capital Adequacy	Capital adequacy assessment process	5		105
	Risk-weighted assets by exposure type	6		
	Standardized market risk-weighted assets	NA	NA	NA
	Risk-weighted assets	6		
Capital ratios and capital conservation buffer	Capital ratios	7	57	10, 53, 103
	Calculation of capital conservation buffer	6		103
	Calculation of eligible retained income	7		

Credit risk: general disclosures	Policies and practices	7	15, 46-49	73-75, 86-95
	Credit risk exposures	8-10	14, 16-19, 46-49	38-40, 86-91
	Loans and related commitments	8-10	14-24, 35-36, 46-49	38-40, 86-91, 113-115
	Past due and non-performing loans by industry	11-12		
	Allowance disaggregated on the basis of impairment methodology	10		91-92
	Charge-offs during the period	10	20	92
	Reconciliation of changes in allowance	NA	20	91-92
	Debt securities	13	9-13	36-37, 83-85
	OTC derivatives	NA		
Counterparty credit risk-related exposures	Policies and practices	13-15	31-32	80, 108-110
	Counterparty risk exposure	13-14	32	111
	Credit derivatives purchased and sold	15		
Credit risk mitigation	Policies and processes	15		
	Exposures covered by eligible financial collateral	16		
	Exposures covered by guarantees/credit derivatives and related risk-weighted assets	16		
Securitization	Policies and practices	16-17		
	Loans to SPEs and affiliated entities	17	NA	NA
	Accounting policies for securitization activities	16-17		
	Exposures securitized by the bank and re-securitizations	NA	NA	NA
	Securitization exposures	17	NA	NA

Equity exposures not subject to the market risk rule	Policies and practices	17		
	Amortized cost and fair value by type/nature and public versus non-public	18		
	Realized and unrealized gains (losses)	18		
	Capital requirements	18		
Interest rate risk for non-trading activities	Nature, assumptions, and frequency of measurement	18	62	61-62
	Earnings sensitivity to rate movements	18	62	61-62