

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

**FORM 10-Q**

**Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the quarterly period ended March 31, 2024**

**Commission file number 1-10312**

**SYNOVUS<sup>®</sup>**  
**SYNOVUS FINANCIAL CORP.**  
**(Exact name of registrant as specified in its charter)**

|  |                                      |
|--|--------------------------------------|
| Georgia  | <b>58-1134883</b>                    |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

|  |            |
|--|------------|
| 1111 Bay Avenue, Suite 500               | 31901      |
| Columbus, Georgia                        | (Zip Code) |
| (Address of principal executive offices) |            |

**Registrant's telephone number, including area code: (706) 641-6500**

**Securities registered pursuant to Section 12(b) of the Act:**

| <u>Title of each class</u>  | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|---|--------------------------|--|
| Common Stock, \$1.00 Par Value  | SNV                      | New York Stock Exchange                          |
| Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series D | SNV - PrD                | New York Stock Exchange                          |
| Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series E       | SNV - PrE                | New York Stock Exchange                          |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 29, 2024, 146,439,885 shares of the registrant's common stock, \$1.00 par value, were outstanding.

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**SYNOVUS FINANCIAL CORP.  
INDEX OF DEFINED TERMS**

Throughout this discussion, 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 we refer to the "Bank" or "Synovus Bank" we mean our only bank subsidiary, Synovus Bank.

**ACL** – Allowance for credit losses (ALL, reserve on unfunded loan commitments, and reserve, if required, on debt securities and other receivables)

**AFS** – Available for sale

**ALCO** – Synovus' Asset Liability Management Committee

**ALL** – Allowance for loan losses

**AOCI** – Accumulated other comprehensive income (loss)

**ASC** – Accounting Standards Codification

**ASU** – Accounting Standards Update

**ATM** – Automatic teller machine

**Basel III** – The third Basel Accord developed by the Basel Committee on Banking Supervision to strengthen existing regulatory capital requirements

**BOLI** – Bank-owned life insurance policies

**bp(s)** – Basis point(s)

**C&I** – Commercial and industrial

**CECL** – Current expected credit losses

**CET1** – Common Equity Tier 1 Capital defined by Basel III capital rules

**CIB** – Corporate and Investment Banking

**CMO** – Collateralized mortgage obligation

**Code** – Internal Revenue Code, as amended

**Company** – Synovus Financial Corp. and its wholly-owned subsidiaries, except where the context requires otherwise

**Covered Litigation** – Certain Visa litigation for which Visa is indemnified by Visa USA members

**CRA** – Community Reinvestment Act

**CRE** – Commercial real estate

**DCF** – Discounted cash flow

**DIF** – Deposit Insurance Fund

**ESG** – Environmental, social, and governance

**EVE** – Economic value of equity

**Exchange Act** – Securities Exchange Act of 1934, as amended

**FASB** – Financial Accounting Standards Board

**FDIC** – Federal Deposit Insurance Corporation

**FDM** – Financial Difficulty Modification

**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 also 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 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

**FFIEC** – Federal Financial Institutions Examination Council

**FFIEC Retail Credit Classification Policy** – FFIEC Uniform Retail Credit Classification and Account Management Policy

**FHLB** – Federal Home Loan Bank

**FICO** – Fair Isaac Corporation

**FOMC** – Federal Open Market Committee

**FRB** – Federal Reserve Bank

**FTP** – Funds transfer pricing

**GA DBF** – Georgia Department of Banking and Finance

**GAAP** – Generally Accepted Accounting Principles in the United States of America

**HTC** – Historic tax credit

**HTM** – Held to maturity

**Interagency Supervisory Guidance** – Interagency Supervisory Guidance on Allowance for Loan and Lease Losses Estimation Practices for Loans and Lines of Credit Secured by Junior Liens on 1-4 Family Residential Properties

**ITC** – Investment tax credits

**LIHTC** – Low Income Housing Tax Credit

**LTV** – Loan-to-collateral value ratio

**MBS** – Mortgage-backed security

**MPS** – Merchant processing servicer(s)

**NAICS** – North American Industry Classification System

**nm** – not meaningful

**NPA** – Non-performing assets

**NPL** – Non-performing loans

**NSF** – Non-sufficient funds

**OCI** – Other comprehensive income (loss)

**ORE** – Other real estate

**Parent Company** – Synovus Financial Corp.

**PPNR** – Pre-provision net revenue

**Qualpay** – Qualpay, Inc.

**Report** – This Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024

**SBA** – Small Business Administration

**SBIC** – Small Business Investment Company

**SEC** – U.S. Securities and Exchange Commission

**Securities Act** – Securities Act of 1933, as amended

**Series D Preferred Stock** – Synovus' Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series D, \$25 liquidation preference

**Series E Preferred Stock** – Synovus' Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series E, \$25 liquidation preference

**SOFR** – Secured Overnight Financing Rate

**Synovus** – Synovus Financial Corp.

**Synovus Bank** – A Georgia state-chartered bank and wholly-owned subsidiary of Synovus, through which Synovus conducts its banking operations

**Synovus' 2023 Form 10-K** – Synovus' Annual Report on Form 10-K for the year ended December 31, 2023

**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

**TE** – Taxable equivalent

**Treasury** – United States Department of Treasury

**UPB** – Unpaid principal balance

**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 of 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

**PART I. FINANCIAL INFORMATION**  
**ITEM 1. - FINANCIAL STATEMENTS**  
**SYNOVUS FINANCIAL CORP.**  
**CONSOLIDATED BALANCE SHEETS**  
**(unaudited)**

| <i>(in thousands, except share and per share data)</i>   | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|--|-----------------------|--------------------------|
| <b>ASSETS</b>  |                       |                          |
| Interest-earning deposits with banks and other cash and cash equivalents   | \$ 2,379,778          | \$ 2,414,103             |
| Federal funds sold and securities purchased under resale agreements  | <u>43,722</u>         | 37,323                   |
| Total cash, cash equivalents, and restricted cash  | 2,423,500             | 2,451,426                |
| Investment securities available for sale, at fair value  | 9,694,515             | 9,788,662                |
| Loans held for sale (includes \$36,698 and \$47,338 measured at fair value, respectively)  | 130,586               | 52,768                   |
| Loans, net of deferred fees and costs  | 43,309,877            | 43,404,490               |
| Allowance for loan losses  | <u>(492,661)</u>      | (479,385)                |
| Loans, net   | 42,817,216            | 42,925,105               |
| Cash surrender value of bank-owned life insurance  | 1,119,379             | 1,112,030                |
| Premises, equipment, and software, net   | 375,315               | 365,851                  |
| Goodwill   | 480,440               | 480,440                  |
| Other intangible assets, net   | 43,021                | 45,928                   |
| Other assets   | 2,751,148             | 2,587,324                |
| Total assets   | <u>\$ 59,835,120</u>  | <u>\$ 59,809,534</u>     |
| <b>LIABILITIES AND EQUITY</b>  |                       |                          |
| <b>Liabilities</b>   |                       |                          |
| Deposits:  |                       |                          |
| Non-interest-bearing deposits  | \$ 12,042,353         | \$ 12,507,616            |
| Interest-bearing deposits  | <u>38,537,889</u>     | 38,231,569               |
| Total deposits   | 50,580,242            | 50,739,185               |
| Federal funds purchased and securities sold under repurchase agreements  | 128,244               | 189,074                  |
| Other short-term borrowings  | 252,469               | 3,496                    |
| Long-term debt   | 2,031,735             | 1,932,534                |
| Other liabilities  | <u>1,800,794</u>      | 1,801,097                |
| Total liabilities  | <u>54,793,484</u>     | 54,665,386               |
| <b>Equity</b>  |                       |                          |
| Shareholders' equity:  |                       |                          |
| Preferred stock - no par value; authorized 100,000,000 shares; issued 22,000,000   | 537,145               | 537,145                  |
| Common stock - \$1.00 par value; authorized 342,857,143 shares; issued 171,873,265 and<br>171,360,188, respectively; outstanding 146,418,407 and 146,705,330, respectively | 171,873               | 171,360                  |
| Additional paid-in capital   | 3,957,576             | 3,955,819                |
| Treasury stock, at cost; 25,454,858 and 24,654,858 shares, respectively  | (974,499)             | (944,484)                |
| Accumulated other comprehensive income (loss), net   | (1,248,194)           | (1,117,073)              |
| Retained earnings  | <u>2,574,017</u>      | 2,517,226                |
| Total Synovus Financial Corp. shareholders' equity   | 5,017,918             | 5,119,993                |
| Noncontrolling interest in subsidiary  | <u>23,718</u>         | 24,155                   |
| Total equity   | <u>5,041,636</u>      | 5,144,148                |
| Total liabilities and equity   | <u>\$ 59,835,120</u>  | <u>\$ 59,809,534</u>     |

See accompanying notes to unaudited interim consolidated financial statements.

**SYNOVUS FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(unaudited)**

(in thousands, except per share data)

## Interest income:

|  | Three Months Ended March 31, |                |
|--|------------------------------|----------------|
|  | 2024                         | 2023           |
| Loans, including fees                    | \$ 691,715                   | \$ 629,557     |
| Investment securities available for sale | 71,906                       | 61,054         |
| Loans held for sale                      | 578                          | 5,577          |
| Federal Reserve Bank balances            | 15,031                       | 16,818         |
| Other earning assets                     | 3,480                        | 3,873          |
| Total interest income                    | <u>782,710</u>               | <u>716,879</u> |

## Interest expense:

|   |                |                |
|---|----------------|----------------|
| Deposits  | 332,666        | 173,935        |
| Long-term debt  | 29,595         | 42,529         |
| Other borrowings  | 1,603          | 19,664         |
| Total interest expense  | <u>363,864</u> | <u>236,128</u> |
| Net interest income   | 418,846        | 480,751        |
| Provision for (reversal of) credit losses                           | 53,980         | 32,154         |
| Net interest income after provision for (reversal of) credit losses | <u>364,866</u> | <u>448,597</u> |

## Non-interest revenue:

|   |                |                |
|---|----------------|----------------|
| Service charges on deposit accounts       | 21,813         | 22,974         |
| Fiduciary and asset management fees       | 19,013         | 19,696         |
| Card fees                                 | 19,486         | 15,824         |
| Brokerage revenue                         | 22,707         | 24,204         |
| Mortgage banking income                   | 3,418          | 3,858          |
| Capital markets income                    | 6,627          | 15,127         |
| Income from bank-owned life insurance     | 7,347          | 7,262          |
| Investment securities gains (losses), net | —              | 1,030          |
| Recovery of NPA                           | —              | 13,126         |
| Other non-interest revenue                | 18,477         | 10,025         |
| Total non-interest revenue                | <u>118,888</u> | <u>133,126</u> |

## Non-interest expense:

|   |                   |                   |
|---|-------------------|-------------------|
| Salaries and other personnel expense                            | 188,521           | 188,924           |
| Net occupancy, equipment, and software expense                  | 46,808            | 42,860            |
| Third-party processing and other services                       | 20,258            | 21,833            |
| Professional fees   | 7,631             | 8,963             |
| FDIC insurance and other regulatory fees                        | 23,819            | 10,268            |
| Restructuring charges (reversals)                               | 1,524             | (733)             |
| Loss on other loans held for sale                               | —                 | 16,750            |
| Other operating expense   | 34,180            | 32,987            |
| Total non-interest expense                                      | <u>322,741</u>    | <u>321,852</u>    |
| Income before income taxes                                      | 161,013           | 259,871           |
| Income tax expense  | 36,943            | 57,712            |
| Net income  | 124,070           | 202,159           |
| Less: Net income (loss) attributable to noncontrolling interest | (437)             | —                 |
| Net income attributable to Synovus Financial Corp.              | 124,507           | 202,159           |
| Less: Preferred stock dividends                                 | 9,685             | 8,291             |
| Net income available to common shareholders                     | <u>\$ 114,822</u> | <u>\$ 193,868</u> |
| Net income per common share, basic                              | \$ 0.78           | \$ 1.33           |
| Net income per common share, diluted                            | 0.78              | 1.32              |
| Weighted average common shares outstanding, basic               | 146,430           | 145,799           |
| Weighted average common shares outstanding, diluted             | <u>147,122</u>    | <u>146,727</u>    |

See accompanying notes to unaudited interim consolidated financial statements.



**SYNOVUS FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(unaudited)

| (in thousands)  | Three Months Ended March 31, |             |                      |                      |             |                      |
|---|------------------------------|-------------|----------------------|----------------------|-------------|----------------------|
|   | 2024                         |             |                      | 2023                 |             |                      |
|   | Before-tax<br>Amount         | Income Tax  | Net of Tax<br>Amount | Before-tax<br>Amount | Income Tax  | Net of Tax<br>Amount |
| Net income  | \$ 161,013                   | \$ (36,943) | \$ 124,070           | \$ 259,871           | \$ (57,712) | \$ 202,159           |
| Unrealized gains (losses) on investment securities available for sale:              |                              |             |                      |                      |             |                      |
| Net unrealized gains (losses) arising during the period                             | (155,636)                    | 37,586      | (118,050)            | 153,081              | (37,260)    | 115,821              |
| Reclassification adjustment for realized (gains) losses included in net income      | —                            | —           | —                    | (1,030)              | 251         | (779)                |
| Net change  | (155,636)                    | 37,586      | (118,050)            | 152,051              | (37,009)    | 115,042              |
| Unrealized gains (losses) on derivative instruments designated as cash flow hedges: |                              |             |                      |                      |             |                      |
| Net unrealized gains (losses) arising during the period                             | (57,056)                     | 13,779      | (43,277)             | 10,000               | (2,434)     | 7,566                |
| Reclassification adjustment for realized (gains) losses included in net income      | 39,823                       | (9,617)     | 30,206               | 39,892               | (9,710)     | 30,182               |
| Net change  | (17,233)                     | 4,162       | (13,071)             | 49,892               | (12,144)    | 37,748               |
| Total other comprehensive income (loss)   | \$ (172,869)                 | \$ 41,748   | \$ (131,121)         | \$ 201,943           | \$ (49,153) | \$ 152,790           |
| Comprehensive income (loss)   |                              |             | (7,051)              |                      |             | 354,949              |
| Less: comprehensive income (loss) attributable to noncontrolling interest           |                              |             | (437)                |                      |             | —                    |
| Comprehensive income (loss) attributable to Synovus Financial Corp.                 |                              |             | \$ (6,614)           |                      |             | \$ 354,949           |

See accompanying notes to unaudited interim consolidated financial statements.

**SYNOVUS FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(unaudited)

| Synovus Financial Corp. Shareholders' Equity                                       |                    |                   |                                  |                     |  |                      |                            |                     |
|--|--------------------|-------------------|----------------------------------|---------------------|--|----------------------|----------------------------|---------------------|
| (in thousands, except per share<br>data)   | Preferred<br>Stock | Common<br>Stock   | Additional<br>Paid-in<br>Capital | Treasury<br>Stock   | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Retained<br>Earnings | Noncontrolling<br>Interest | Total               |
| Balance at December 31,<br>2023  | \$ 537,145         | \$ 171,360        | \$ 3,955,819                     | \$ (944,484)        | \$ (1,117,073)   | \$ 2,517,226         | 24,155                     | \$ 5,144,148        |
| Net income (loss)  | —                  | —                 | —                                | —                   | —  | 124,507              | (437)                      | 124,070             |
| Other comprehensive<br>income (loss), net of income<br>taxes                       | —                  | —                 | —                                | —                   | (131,121)  | —                    | —                          | (131,121)           |
| Cash dividends declared on<br>common stock - \$0.38 per<br>share                   | —                  | —                 | —                                | —                   | —  | (55,639)             | —                          | (55,639)            |
| Cash dividends declared on<br>preferred stock <sup>(1)</sup>                       | —                  | —                 | —                                | —                   | —  | (9,685)              | —                          | (9,685)             |
| Repurchases of common<br>stock including costs to<br>repurchase                    | —                  | —                 | —                                | (30,015)            | —  | —                    | —                          | (30,015)            |
| Restricted share unit vesting<br>and taxes paid related to net<br>share settlement | —                  | 460               | (8,492)                          | —                   | —  | (2,392)              | —                          | (10,424)            |
| Stock options exercised, net   | —                  | 53                | 1,280                            | —                   | —  | —                    | —                          | 1,333               |
| Share-based compensation<br>expense  | —                  | —                 | 8,969                            | —                   | —  | —                    | —                          | 8,969               |
| Balance at March 31, 2024  | <u>\$ 537,145</u>  | <u>\$ 171,873</u> | <u>\$ 3,957,576</u>              | <u>\$ (974,499)</u> | <u>\$ (1,248,194)</u>                                  | <u>\$ 2,574,017</u>  | <u>\$ 23,718</u>           | <u>\$ 5,041,636</u> |
| Balance at December 31,<br>2022  | \$ 537,145         | \$ 170,141        | \$ 3,920,346                     | \$ (944,484)        | \$ (1,442,117)   | \$ 2,234,770         | \$ —                       | \$ 4,475,801        |
| Cumulative-effect of change<br>in accounting principle for<br>ASU 2023-02          | —                  | —                 | —                                | —                   | —  | (297)                | —                          | (297)               |
| Net income (loss)  | —                  | —                 | —                                | —                   | —  | 202,159              | —                          | 202,159             |
| Other comprehensive<br>income (loss), net of income<br>taxes                       | —                  | —                 | —                                | —                   | 152,790  | —                    | —                          | 152,790             |
| Cash dividends declared on<br>common stock - \$0.38 per<br>share                   | —                  | —                 | —                                | —                   | —  | (55,502)             | —                          | (55,502)            |
| Cash dividends declared on<br>preferred stock <sup>(2)</sup>                       | —                  | —                 | —                                | —                   | —  | (8,291)              | —                          | (8,291)             |
| Restricted share unit vesting<br>and taxes paid related to net<br>share settlement | —                  | 383               | (8,280)                          | —                   | —  | (2,206)              | —                          | (10,103)            |
| Stock options exercised, net   | —                  | 190               | 3,307                            | —                   | —  | —                    | —                          | 3,497               |
| Share-based compensation<br>expense  | —                  | —                 | 10,076                           | —                   | —  | —                    | —                          | 10,076              |
| Balance at March 31, 2023  | <u>\$ 537,145</u>  | <u>\$ 170,714</u> | <u>\$ 3,925,449</u>              | <u>\$ (944,484)</u> | <u>\$ (1,289,327)</u>                                  | <u>\$ 2,370,633</u>  | <u>\$ —</u>                | <u>\$ 4,770,130</u> |

<sup>(1)</sup> For the three months ended March 31, 2024, dividends per share were \$0.57 for Series D and \$0.37 for Series E Preferred Stock.

<sup>(2)</sup> For the three months ended March 31, 2023, dividends per share were \$0.39 for Series D and \$0.37 for Series E Preferred Stock.

See accompanying notes to unaudited interim consolidated financial statements.

**SYNOVUS FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

| (in thousands)   | Three Months Ended March 31, |              |
|--|------------------------------|--------------|
|  | 2024                         | 2023         |
| <b>Operating Activities</b>  |                              |              |
| Net income   | \$ 124,070                   | \$ 202,159   |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities:        |                              |              |
| Provision for (reversal of) credit losses  | 53,980                       | 32,154       |
| Depreciation, amortization, and accretion, net   | 17,854                       | 20,088       |
| Deferred income tax expense (benefit)  | 2,446                        | 706          |
| Originations of loans held for sale  | (468,414)                    | (143,149)    |
| Proceeds from sales and payments on loans held for sale  | 392,753                      | 275,274      |
| Gain on sales of loans held for sale, net  | (2,419)                      | (2,716)      |
| (Increase) decrease in other assets  | (81,810)                     | (63,174)     |
| Increase (decrease) in other liabilities   | (22,298)                     | 25,417       |
| Investment securities (gains) losses, net  | —                            | (1,030)      |
| Share-based compensation expense   | 7,914                        | 8,711        |
| Net cash provided by (used in) operating activities  | 24,076                       | 354,440      |
| <b>Investing Activities</b>  |                              |              |
| Proceeds from maturities and principal collections of investment securities available for sale     | 196,020                      | 205,098      |
| Proceeds from sales of investment securities available for sale                                    | —                            | 82,595       |
| Purchases of investment securities available for sale  | (258,482)                    | (193,009)    |
| Net proceeds from sales of loans   | 2,548                        | 1,505        |
| Net (increase) decrease in loans   | 28,830                       | (773,103)    |
| Net (purchases) redemptions of Federal Home Loan Bank stock  | (16,626)                     | (7,439)      |
| Net (purchases) redemptions of Federal Reserve Bank stock  | (12,144)                     | (7,108)      |
| Net proceeds from settlement (purchases) of bank-owned life insurance policies                     | —                            | 2,514        |
| Net increase in premises, equipment and software   | (18,490)                     | (6,519)      |
| Other  | —                            | 3,015        |
| Net cash provided by (used in) investing activities  | (78,344)                     | (692,451)    |
| <b>Financing Activities</b>  |                              |              |
| Net increase (decrease) in deposits  | (157,277)                    | 1,070,206    |
| Net increase (decrease) in federal funds purchased and securities sold under repurchase agreements | (60,830)                     | 49,107       |
| Net increase (decrease) in other short-term borrowings   | 248,973                      | (350,232)    |
| Proceeds from long-term debt, net  | 100,000                      | 1,020,912    |
| Dividends paid to common shareholders  | (55,733)                     | (49,465)     |
| Dividends paid to preferred shareholders   | (9,685)                      | (8,291)      |
| Repurchases of common stock  | (30,015)                     | —            |
| Issuances, net of taxes paid, under equity compensation plans                                      | (9,091)                      | (6,606)      |
| Net cash provided by (used in) financing activities  | 26,342                       | 1,725,631    |
| Increase (decrease) in cash and cash equivalents including restricted cash                         | (27,926)                     | 1,387,620    |
| Cash, cash equivalents, and restricted cash, at beginning of period                                | 2,451,426                    | 1,977,780    |
| Cash, cash equivalents, and restricted cash at end of period                                       | \$ 2,423,500                 | \$ 3,365,400 |

**Supplemental Disclosures:**

|                   |           |           |
|-------------------|-----------|-----------|
| Income taxes paid | \$ 28,798 | \$ 52,157 |
| Interest paid     | 385,188   | 206,624   |

**Non-cash Activities**

|   |        |   |
|---|--------|---|
| Loans foreclosed and transferred to other real estate | 21,210 | — |
|---|--------|---|

See accompanying notes to unaudited interim consolidated financial statements.

## Notes to Unaudited Interim Consolidated Financial Statements

### Note 1 - Basis of Presentation and Accounting Policies

#### General

The accompanying unaudited interim consolidated financial statements of Synovus Financial Corp. include the accounts of the Parent Company and its consolidated subsidiaries. Synovus Financial Corp. is a financial services company based in Columbus, Georgia. Through its wholly-owned subsidiary, Synovus Bank, a Georgia state-chartered bank that is a member of the Federal Reserve System, the Company provides commercial and consumer banking in addition to a full suite of specialized products and services, including private banking, treasury management, wealth management, mortgage services, premium finance, asset-based lending, structured lending, capital markets, and international banking. Synovus also provides financial planning and investment advisory services through its wholly-owned subsidiaries, Synovus Trust and Synovus Securities.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the instructions to the SEC Form 10-Q and Article 10 of Regulation S-X; therefore, they do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, comprehensive income (loss), and cash flows in conformity with GAAP. All adjustments consisting of normally recurring accruals that, in the opinion of management, are necessary for a fair presentation of the consolidated financial position and results of operations for the periods covered by this Report have been included. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes appearing in Synovus' 2023 Form 10-K.

#### Reclassifications

Prior periods' consolidated financial statements are reclassified whenever necessary to conform to the current periods' presentation.

#### Use of Estimates in the Preparation of Financial Statements

In preparing the consolidated financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the respective consolidated balance sheets and the reported amounts of revenue and expense for the periods presented. Actual results could differ significantly from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the ACL, estimates of fair value, income taxes, and contingent liabilities.

## Recent Accounting Pronouncements

The following table provides a brief description of accounting standards adopted or issued in 2024 and the estimated effect on the Company's financial statements.

| Standard   | Description   | Required date of adoption | Effect on Company's financial statements or other significant matters  |
|--|---|---------------------------|--|
| <b>Standards Adopted (or partially adopted)</b>  |   |                           |  |
| ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures | In November 2023, the FASB issued ASU 2023-07 to improve segment reporting disclosures. The amendments in this ASU improve financial reporting by requiring disclosure of incremental segment information including significant segment expenses regularly provided to the chief operating decision maker as well as the amount and composition of other segment items on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. Retrospective application is required in all prior periods unless impracticable to do so. | January 1, 2024           | The Company adopted the new disclosure requirements for the annual period beginning on January 1, 2024, and interim periods starting on January 1, 2025. The Company is currently evaluating the impact of the incremental segment information that will be required to be disclosed as well as the impact to the Segment Reporting footnote disclosed in the Form 10-K. |
| <b>Standards Issued But Not Yet Adopted</b>  |   |                           |  |
| ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures              | In December 2023, the FASB issued ASU 2023-09 to enhance the transparency and decision usefulness of income tax disclosures. The ASU addresses investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. Retrospective application in all prior periods is permitted.   | January 1, 2025           | The Company will adopt the new disclosures for the annual periods beginning on January 1, 2025. The Company is currently evaluating the impact of the incremental income taxes information that will be required to be disclosed as well as the impact to the Income Taxes footnote in the Form 10-K.  |

## Note 2 - Investment Securities Available for Sale

The amortized cost, gross unrealized gains and losses, and estimated fair values of investment securities available for sale at March 31, 2024 and December 31, 2023 are summarized below.

|   | March 31, 2024        |                               |                                |                     |
|---|-----------------------|-------------------------------|--------------------------------|---------------------|
| (in thousands)  | <b>Amortized Cost</b> | <b>Gross Unrealized Gains</b> | <b>Gross Unrealized Losses</b> | <b>Fair Value</b>   |
| U.S. Treasury securities  | \$ 616,037            | \$ 505                        | \$ (1,133)                     | \$ 615,409          |
| U.S. Government agency securities   | 29,993                | —                             | (1,210)                        | 28,783              |
| Mortgage-backed securities issued by U.S. Government agencies                                     | 1,022,881             | 1,119                         | (112,082)                      | 911,918             |
| Mortgage-backed securities issued by U.S. Government sponsored enterprises                        | 7,383,405             | 328                           | (1,200,822)                    | 6,182,911           |
| Collateralized mortgage obligations issued by U.S. Government agencies or sponsored enterprises   | 676,772               | —                             | (111,832)                      | 564,940             |
| Commercial mortgage-backed securities issued by U.S. Government agencies or sponsored enterprises | 1,414,621             | 5,512                         | (38,403)                       | 1,381,730           |
| Corporate debt securities and other debt securities   | 9,034                 | —                             | (210)                          | 8,824               |
| Total investment securities available for sale <sup>(1)</sup>                                     | <b>\$ 11,152,743</b>  | <b>\$ 7,464</b>               | <b>\$ (1,465,692)</b>          | <b>\$ 9,694,515</b> |

  

|   | December 31, 2023     |                               |                                |                     |
|---|-----------------------|-------------------------------|--------------------------------|---------------------|
| (in thousands)  | <b>Amortized Cost</b> | <b>Gross Unrealized Gains</b> | <b>Gross Unrealized Losses</b> | <b>Fair Value</b>   |
| U.S. Treasury securities  | \$ 588,082            | \$ 9,547                      | \$ —                           | \$ 597,629          |
| U.S. Government agency securities   | 29,993                | —                             | (1,053)                        | 28,940              |
| Mortgage-backed securities issued by U.S. Government agencies                                     | 1,021,612             | 2,037                         | (97,985)                       | 925,664             |
| Mortgage-backed securities issued by U.S. Government sponsored enterprises                        | 7,523,399             | 1,192                         | (1,094,212)                    | 6,430,379           |
| Collateralized mortgage obligations issued by U.S. Government agencies or sponsored enterprises   | 692,487               | —                             | (104,892)                      | 587,595             |
| Commercial mortgage-backed securities issued by U.S. Government agencies or sponsored enterprises | 1,226,672             | 18,764                        | (35,653)                       | 1,209,783           |
| Corporate debt securities and other debt securities   | 9,009                 | —                             | (337)                          | 8,672               |
| Total investment securities available for sale <sup>(1)</sup>                                     | <b>\$ 11,091,254</b>  | <b>\$ 31,540</b>              | <b>\$ (1,334,132)</b>          | <b>\$ 9,788,662</b> |

<sup>(1)</sup> The amounts reported exclude accrued interest receivable on investment securities available for sale of \$28.7 million and \$26.6 million at March 31, 2024 and December 31, 2023, respectively, which is presented as a component of other assets on the consolidated balance sheets.

At March 31, 2024 and December 31, 2023, investment securities with a carrying value of \$5.02 billion and \$5.19 billion, respectively, were pledged to secure certain deposits and other liabilities, as required by law or contractual agreements.

On April 1, 2024, Synovus transferred \$3.42 billion of mortgage-backed securities from available for sale to held to maturity, and AOCI included a pre-tax unrealized loss of \$708.5 million on the investment securities at the date of the transfer. See Note 10 - Subsequent Event in this Report for additional information on the transfer of mortgage-backed securities from available for sale to held to maturity.

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2024 and December 31, 2023 are presented below.

|   | March 31, 2024      |                         |                         |                         |              |                         |  |  |
|---|---------------------|-------------------------|-------------------------|-------------------------|--------------|-------------------------|--|--|
|   | Less than 12 Months |                         | 12 Months or Longer     |                         | Total        |                         |  |  |
|   | Fair Value          | Gross Unrealized Losses | Fair Value              | Gross Unrealized Losses | Fair Value   | Gross Unrealized Losses |  |  |
| (in thousands)  |                     |                         |                         |                         |              |                         |  |  |
| U.S. Treasury securities  | \$ 465,387          | \$ (1,133)              | \$ —                    | \$ —                    | \$ 465,387   | \$ (1,133)              |  |  |
| U.S. Government agency securities   | —                   | —                       | 28,783                  | (1,210)                 | 28,783       | (1,210)                 |  |  |
| Mortgage-backed securities issued by U.S. Government agencies                                     | 132,795             | (712)                   | 696,870                 | (111,370)               | 829,665      | (112,082)               |  |  |
| Mortgage-backed securities issued by U.S. Government sponsored enterprises                        | 129,505             | (2,158)                 | 6,005,861               | (1,198,664)             | 6,135,366    | (1,200,822)             |  |  |
| Collateralized mortgage obligations issued by U.S. Government agencies or sponsored enterprises   | —                   | —                       | 564,940                 | (111,832)               | 564,940      | (111,832)               |  |  |
| Commercial mortgage-backed securities issued by U.S. Government agencies or sponsored enterprises | 360,736             | (1,874)                 | 274,840                 | (36,529)                | 635,576      | (38,403)                |  |  |
| Corporate debt securities and other debt securities   | —                   | —                       | 8,824                   | (210)                   | 8,824        | (210)                   |  |  |
| Total   | \$ 1,088,423        | \$ (5,877)              | \$ 7,580,118            | \$ (1,459,815)          | \$ 8,668,541 | \$ (1,465,692)          |  |  |
| December 31, 2023   |                     |                         |                         |                         |              |                         |  |  |
|   | Less than 12 Months |                         | 12 Months or Longer     |                         | Total        |                         |  |  |
|   | Fair Value          |                         | Gross Unrealized Losses |                         | Fair Value   |                         |  |  |
|   | Fair Value          | Gross Unrealized Losses | Fair Value              | Gross Unrealized Losses | Fair Value   | Gross Unrealized Losses |  |  |
| (in thousands)  |                     |                         |                         |                         |              |                         |  |  |
| U.S. Government agency securities   | \$ —                | \$ —                    | \$ 28,940               | \$ (1,053)              | \$ 28,940    | \$ (1,053)              |  |  |
| Mortgage-backed securities issued by U.S. Government agencies                                     | 159,402             | (1,268)                 | 565,358                 | (96,717)                | 724,760      | (97,985)                |  |  |
| Mortgage-backed securities issued by U.S. Government sponsored enterprises                        | 215,917             | (1,193)                 | 6,045,914               | (1,093,019)             | 6,261,831    | (1,094,212)             |  |  |
| Collateralized mortgage obligations issued by U.S. Government agencies or sponsored enterprises   | —                   | —                       | 587,595                 | (104,892)               | 587,595      | (104,892)               |  |  |
| Commercial mortgage-backed securities issued by U.S. Government agencies or sponsored enterprises | 34,406              | (205)                   | 276,675                 | (35,448)                | 311,081      | (35,653)                |  |  |
| Corporate debt securities and other debt securities   | —                   | —                       | 8,672                   | (337)                   | 8,672        | (337)                   |  |  |
| Total   | \$ 409,725          | \$ (2,666)              | \$ 7,513,154            | \$ (1,331,466)          | \$ 7,922,879 | \$ (1,334,132)          |  |  |

As of March 31, 2024, Synovus had 29 investment securities in a loss position for less than 12 months and 353 investment securities in a loss position for 12 months or longer and did not intend to sell investment securities in an unrealized loss position prior to the recovery of the unrealized loss, which may not be until maturity, and has the ability and intent to hold those securities for that period of time. Additionally, as of March 31, 2024, Synovus was not aware of any circumstances which will require it to sell any of the securities that are in an unrealized loss position prior to the respective securities' recovery of all such unrealized losses. As such, no write-downs to the amortized cost basis of the portfolio were recorded for the period.



At March 31, 2024, no ACL was established for investment securities. Substantially all of the unrealized losses on the securities portfolio were the result of changes in market interest rates compared to the date the securities were acquired rather than the credit quality of the issuers or underlying loans. U.S. Treasury and agency securities and agency mortgage-backed securities are issued, guaranteed or otherwise supported by the United States government, an agency of the United States government, or a government sponsored enterprise.

The amortized cost and fair value by contractual maturity of investment securities available for sale at March 31, 2024 are shown below. The expected life of MBSs or CMOs may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. For purposes of the maturity table, MBSs and CMOs, which are not due at a single maturity date, have been classified based on the final contractual maturity date.

| (in thousands)  | Distribution of Maturities at March 31, 2024 |                     |                   |                     |                      |
|---|--|---------------------|-------------------|---------------------|----------------------|
|   | Within One Year                              | 1 to 5 Years        | 5 to 10 Years     | More Than 10 Years  | Total                |
| <b>Amortized Cost</b>   |  |                     |                   |                     |                      |
| U.S. Treasury securities  | \$ 25,923                                    | \$ 258,854          | \$ 331,260        | \$ —                | \$ 616,037           |
| U.S. Government agency securities   | —  | 29,993              | —                 | —                   | 29,993               |
| Mortgage-backed securities issued by U.S. Government agencies                                     | —  | 60                  | 3                 | 1,022,818           | 1,022,881            |
| Mortgage-backed securities issued by U.S. Government sponsored enterprises                        | —  | —                   | 10,552            | 7,372,853           | 7,383,405            |
| Collateralized mortgage obligations issued by U.S. Government agencies or sponsored enterprises   | —  | 41                  | 9,865             | 666,866             | 676,772              |
| Commercial mortgage-backed securities issued by U.S. Government agencies or sponsored enterprises | 66,440                                       | 783,017             | 547,840           | 17,324              | 1,414,621            |
| Corporate debt securities and other debt securities   | —  | 9,034               | —                 | —                   | 9,034                |
| Total amortized cost  | <u>\$ 92,363</u>                             | <u>\$ 1,080,999</u> | <u>\$ 899,520</u> | <u>\$ 9,079,861</u> | <u>\$ 11,152,743</u> |
| <b>Fair Value</b>   |  |                     |                   |                     |                      |
| U.S. Treasury securities  | \$ 25,923                                    | \$ 258,488          | \$ 330,998        | \$ —                | \$ 615,409           |
| U.S. Government agency securities   | —  | 28,783              | —                 | —                   | 28,783               |
| Mortgage-backed securities issued by U.S. Government agencies                                     | —  | 58                  | 3                 | 911,857             | 911,918              |
| Mortgage-backed securities issued by U.S. Government sponsored enterprises                        | —  | —                   | 9,766             | 6,173,145           | 6,182,911            |
| Collateralized mortgage obligations issued by U.S. Government agencies or sponsored enterprises   | —  | 40                  | 9,491             | 555,409             | 564,940              |
| Commercial mortgage-backed securities issued by U.S. Government agencies or sponsored enterprises | 66,750                                       | 775,293             | 524,691           | 14,996              | 1,381,730            |
| Corporate debt securities and other debt securities   | —  | 8,824               | —                 | —                   | 8,824                |
| Total fair value  | <u>\$ 92,673</u>                             | <u>\$ 1,071,486</u> | <u>\$ 874,949</u> | <u>\$ 7,655,407</u> | <u>\$ 9,694,515</u>  |

Gross gains and gross losses on sales of securities available for sale for the three months ended March 31, 2024 and 2023 are presented below. The specific identification method is used to reclassify gains and losses out of other comprehensive income (loss) at the time of sale.

| (in thousands)                            | Three Months Ended March 31, |                 |
|---|------------------------------|-----------------|
|   | 2024                         | 2023            |
| Gross realized gains on sales             | \$ —                         | \$ 1,030        |
| Gross realized losses on sales            | —                            | —               |
| Investment securities gains (losses), net | <u>\$ —</u>                  | <u>\$ 1,030</u> |

### Note 3 - Loans and Allowance for Loan Losses

#### Aging and Non-Accrual Analysis

The following tables provide a summary of current, accruing past due, and non-accrual loans by portfolio class as of March 31, 2024 and December 31, 2023.

|  | March 31, 2024 |                              |                                      |                         |                         |                            |               |
|--|----------------|------------------------------|--------------------------------------|-------------------------|-------------------------|----------------------------|---------------|
| (in thousands)                                       | Current        | Accruing 30-89 Days Past Due | Accruing 90 Days or Greater Past Due | Total Accruing Past Due | Non-accrual with an ALL | Non-accrual without an ALL | Total         |
| Commercial, financial and agricultural               | \$ 14,415,219  | \$ 7,323                     | \$ 1,667                             | \$ 8,990                | \$ 173,435              | \$ 19,258                  | \$ 14,616,902 |
| Owner-occupied                                       | 8,027,707      | 6,312                        | 157                                  | 6,469                   | 49,821                  | 30,397                     | 8,114,394     |
| Total commercial and industrial                      | 22,442,926     | 13,635                       | 1,824                                | 15,459                  | 223,256                 | 49,655                     | 22,731,296    |
| Investment properties                                | 11,298,410     | 245                          | —                                    | 245                     | 10,630                  | 1,596                      | 11,310,881    |
| 1-4 family properties                                | 576,878        | 940                          | 20                                   | 960                     | 1,958                   | 342                        | 580,138       |
| Land and development                                 | 301,651        | 331                          | —                                    | 331                     | 1,018                   | —                          | 303,000       |
| Total commercial real estate                         | 12,176,939     | 1,516                        | 20                                   | 1,536                   | 13,606                  | 1,938                      | 12,194,019    |
| Consumer mortgages                                   | 5,333,982      | 8,057                        | —                                    | 8,057                   | 42,563                  | —                          | 5,384,602     |
| Home equity  | 1,778,768      | 13,129                       | —                                    | 13,129                  | 12,451                  | —                          | 1,804,348     |
| Credit cards   | 177,054        | 1,705                        | 1,904                                | 3,609                   | —                       | —                          | 180,663       |
| Other consumer loans                                 | 994,944        | 13,024                       | —                                    | 13,024                  | 6,981                   | —                          | 1,014,949     |
| Total consumer                                       | 8,284,748      | 35,915                       | 1,904                                | 37,819                  | 61,995                  | —                          | 8,384,562     |
| Loans, net of deferred fees and costs <sup>(1)</sup> | \$ 42,904,613  | \$ 51,066                    | \$ 3,748                             | \$ 54,814               | \$ 298,857              | \$ 51,593                  | \$ 43,309,877 |

  

|  | December 31, 2023 |                              |                                      |                         |                         |                            |               |
|--|-------------------|------------------------------|--------------------------------------|-------------------------|-------------------------|----------------------------|---------------|
| (in thousands)                                       | Current           | Accruing 30-89 Days Past Due | Accruing 90 Days or Greater Past Due | Total Accruing Past Due | Non-accrual with an ALL | Non-accrual without an ALL | Total         |
| Commercial, financial and agricultural               | \$ 14,355,414     | \$ 12,264                    | \$ 1,797                             | \$ 14,061               | \$ 66,400               | \$ 23,470                  | \$ 14,459,345 |
| Owner-occupied                                       | 8,041,573         | 6,056                        | 149                                  | 6,205                   | 70,784                  | 20,586                     | 8,139,148     |
| Total commercial and industrial                      | 22,396,987        | 18,320                       | 1,946                                | 20,266                  | 137,184                 | 44,056                     | 22,598,493    |
| Investment properties                                | 11,322,516        | 740                          | 278                                  | 1,018                   | 12,796                  | 26,974                     | 11,363,304    |
| 1-4 family properties                                | 595,359           | 87                           | —                                    | 87                      | 2,605                   | 451                        | 598,502       |
| Land and development                                 | 353,477           | 671                          | —                                    | 671                     | 804                     | —                          | 354,952       |
| Total commercial real estate                         | 12,271,352        | 1,498                        | 278                                  | 1,776                   | 16,205                  | 27,425                     | 12,316,758    |
| Consumer mortgages                                   | 5,359,153         | 6,462                        | —                                    | 6,462                   | 46,108                  | —                          | 5,411,723     |
| Home equity  | 1,785,836         | 10,374                       | 716                                  | 11,090                  | 10,473                  | —                          | 1,807,399     |
| Credit cards   | 190,299           | 1,818                        | 2,024                                | 3,842                   | —                       | —                          | 194,141       |
| Other consumer loans                                 | 1,053,587         | 15,574                       | 89                                   | 15,663                  | 6,697                   | 29                         | 1,075,976     |
| Total consumer                                       | 8,388,875         | 34,228                       | 2,829                                | 37,057                  | 63,278                  | 29                         | 8,489,239     |
| Loans, net of deferred fees and costs <sup>(1)</sup> | \$ 43,057,214     | \$ 54,046                    | \$ 5,053                             | \$ 59,099               | \$ 216,667              | \$ 71,510                  | \$ 43,404,490 |

<sup>(1)</sup> The amortized cost basis of loans, net of deferred fees and costs excludes accrued interest receivable of \$248.0 million and \$256.3 million at March 31, 2024 and December 31, 2023, respectively, which is presented as a component of other assets on the consolidated balance sheets.

#### Pledged Loans

Loans with carrying values of \$24.79 billion and \$24.31 billion, respectively, were pledged as collateral for borrowings and capacity at March 31, 2024 and December 31, 2023, respectively, to the FHLB and Federal Reserve Bank.



## *Portfolio Segment Risk Factors*

The risk characteristics and collateral information of each portfolio segment are as follows:

**Commercial and Industrial Loans** - The C&I loan portfolio is comprised of general middle market and commercial banking clients across a diverse set of industries. In accordance with Synovus' lending policy, each loan undergoes a detailed underwriting process, which incorporates uniform underwriting standards and oversight in proportion to the size and complexity of the lending relationship. These loans are secured by collateral such as business equipment, inventory, and real estate. Credit decisions on loans in the C&I portfolio are based on cash flow from the operations of the business as the primary source of repayment of the debt, with underlying real estate or other collateral being the secondary source of repayment.

**Commercial Real Estate Loans** - CRE loans primarily consist of income-producing investment properties loans. Additionally, CRE loans include 1-4 family properties loans as well as land and development loans. Investment properties loans consist of construction and mortgage loans for income-producing properties and are primarily made to finance multi-family properties, hotels, office buildings, shopping centers, warehouses and other commercial development properties. 1-4 family properties loans include construction loans to homebuilders and commercial mortgage loans related to 1-4 family rental properties and are almost always secured by the underlying property being financed by such loans. These properties are primarily located in the markets served by Synovus. Land and development loans include commercial and residential development as well as land acquisition loans and are secured by land held for future development, typically in excess of one year. Properties securing these loans are substantially within markets served by Synovus, and our preference is to obtain some level of recourse from project sponsors. Loans in this portfolio are underwritten based on the LTV of the collateral and the capacity of the guarantor(s).

**Consumer Loans** - The consumer loan portfolio consists of a wide variety of loan products offered through Synovus' banking network, including first and second residential mortgages, home equity, and consumer credit card loans, as well as home improvement loans, student, and personal loans from third-party lending ("other consumer loans"). Together, consumer mortgages and home equity comprise the majority of Synovus' consumer loans and are secured by first and second liens on residential real estate primarily located in the markets served by Synovus. The primary source of repayment for all consumer loans is generally the personal income of the borrower(s).

## *Credit Quality Indicators*

The credit quality of the loan portfolio is reviewed and updated no less frequently than annually using the standard asset classification system utilized by the federal banking agencies. These classifications are divided into three groups: Not Criticized (Pass), Special Mention, and Classified or Adverse rating (Substandard, Doubtful, and Loss) and are defined as follows:

**Pass** - loans which are well protected by the current net worth and paying capacity of the obligor (or guarantors, if any) or by the fair value, less cost to acquire and sell in a timely manner, of any underlying collateral.

**Special Mention** - loans which have potential weaknesses that deserve management's close attention. These loans are not adversely classified and do not expose an institution to sufficient risk to warrant an adverse classification.

**Substandard** - loans which are inadequately protected by the current net worth and paying capacity of the obligor or by the collateral pledged, if any. Loans with this classification are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

**Doubtful** - loans which have all the weaknesses inherent in loans categorized as Substandard with the added characteristic that the weaknesses make collection or liquidation in full highly questionable and improbable on the basis of currently known facts, conditions, and values.

**Loss** - loans which are considered by management to be uncollectible and of such little value that their continuance on the institution's books as an asset, without establishment of a specific valuation allowance or charge-off, is not warranted. Synovus fully reserves for any loans rated as Loss.

In the following tables, consumer loans are generally assigned a risk grade similar to the classifications described above; however, upon reaching 90 days and 120 days past due, they are generally downgraded to Substandard and Loss, respectively, in accordance with the FFIEC Retail Credit Classification Policy. Additionally, in accordance with Interagency Supervisory Guidance, the risk grade classifications of consumer loans (consumer mortgages and home equity) secured by junior liens on 1-4 family residential properties also consider available information on the payment status of any associated senior liens with other financial institutions.

The following table summarizes each loan portfolio class by risk grade and origination year as of March 31, 2024 and December 31, 2023 as required under CECL.

|   | March 31, 2024                                      |                  |                  |                  |                  |                  |                      |                         |                   |  |
|---|---|------------------|------------------|------------------|------------------|------------------|----------------------|-------------------------|-------------------|--|
|   | Term Loans Amortized Cost Basis by Origination Year |                  |                  |                  |                  |                  | Revolving Loans      |                         |                   |  |
|   | 2024  | 2023             | 2022             | 2021             | 2020             | Prior            | Amortized Cost Basis | Converted to Term Loans | Total             |  |
| (in thousands)                                      |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| <b>Commercial, financial and agricultural</b>       |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Pass  | \$ 268,543  | \$ 1,131,289     | \$ 951,139       | \$ 1,374,948     | \$ 759,640       | \$ 1,791,712     | \$ 7,642,905         | \$ 62,340               | \$ 13,982,516     |  |
| Special Mention                                     | —   | 6,489            | 31,616           | 18,630           | 926              | 11,096           | 144,154              | 1,865                   | 214,776           |  |
| Substandard   | 4,091   | 20,133           | 12,763           | 16,678           | 40,428           | 105,084          | 181,232              | 4,460                   | 384,869           |  |
| Doubtful  | —   | —                | —                | 20,676           | 225              | —                | 13,206               | —                       | 34,107            |  |
| Loss  | —   | —                | —                | —                | —                | —                | 634                  | —                       | 634               |  |
| <b>Total commercial, financial and agricultural</b> | <b>272,634</b>                                      | <b>1,157,911</b> | <b>995,518</b>   | <b>1,430,932</b> | <b>801,219</b>   | <b>1,907,892</b> | <b>7,982,131</b>     | <b>68,665</b>           | <b>14,616,902</b> |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs                                   | —   | 15,893           | 2,699            | 617              | 592              | 1,394            | 9,577                | —                       | 30,772            |  |
| <b>Owner-occupied</b>                               |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Pass  | 151,179   | 910,990          | 1,534,357        | 1,455,287        | 917,280          | 2,055,182        | 685,510              | —                       | 7,709,785         |  |
| Special Mention                                     | —   | 1,911            | 6,835            | 22,203           | 29,121           | 30,108           | 42,918               | —                       | 133,096           |  |
| Substandard   | 198   | 4,248            | 35,101           | 29,861           | 59,296           | 90,503           | 35,900               | —                       | 255,107           |  |
| Doubtful  | —   | —                | —                | —                | —                | —                | 16,406               | —                       | 16,406            |  |
| <b>Total owner-occupied</b>                         | <b>151,377</b>                                      | <b>917,149</b>   | <b>1,576,293</b> | <b>1,507,351</b> | <b>1,005,697</b> | <b>2,175,793</b> | <b>780,734</b>       | <b>—</b>                | <b>8,114,394</b>  |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs                                   | —   | 76               | —                | —                | 1,131            | 5,964            | —                    | —                       | 7,171             |  |
| <b>Total commercial and industrial</b>              | <b>424,011</b>                                      | <b>2,075,060</b> | <b>2,571,811</b> | <b>2,938,283</b> | <b>1,806,916</b> | <b>4,083,685</b> | <b>8,762,865</b>     | <b>68,665</b>           | <b>22,731,296</b> |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs                                   | \$ —  | \$ 15,969        | \$ 2,699         | \$ 617           | \$ 1,723         | \$ 7,358         | \$ 9,577             | \$ —                    | \$ 37,943         |  |
| <b>Investment properties</b>                        |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Pass  | 73,903  | 659,935          | 3,247,783        | 2,867,625        | 982,612          | 2,771,003        | 208,975              | —                       | 10,811,836        |  |
| Special Mention                                     | —   | —                | 75,686           | 97,938           | 43,937           | 81,937           | —                    | —                       | 299,498           |  |
| Substandard   | —   | 2,186            | 2,993            | 128,672          | 2,067            | 56,528           | —                    | —                       | 192,446           |  |
| Doubtful  | —   | —                | —                | —                | —                | 7,096            | —                    | —                       | 7,096             |  |
| Loss  | —   | —                | —                | —                | —                | 5                | —                    | —                       | 5                 |  |
| <b>Total investment properties</b>                  | <b>73,903</b>                                       | <b>662,121</b>   | <b>3,326,462</b> | <b>3,094,235</b> | <b>1,028,616</b> | <b>2,916,569</b> | <b>208,975</b>       | <b>—</b>                | <b>11,310,881</b> |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs                                   | —   | —                | —                | —                | —                | 3,608            | —                    | —                       | 3,608             |  |
| <b>1-4 family properties</b>                        |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Pass  | 38,726  | 147,560          | 130,546          | 109,133          | 30,807           | 71,238           | 44,211               | —                       | 572,221           |  |
| Special Mention                                     | 1,015   | 959              | 994              | 378              | 181              | 308              | —                    | —                       | 3,835             |  |
| Substandard   | —   | 832              | 62               | 1,109            | 355              | 1,679            | 45                   | —                       | 4,082             |  |
| <b>Total 1-4 family properties</b>                  | <b>39,741</b>                                       | <b>149,351</b>   | <b>131,602</b>   | <b>110,620</b>   | <b>31,343</b>    | <b>73,225</b>    | <b>44,256</b>        | <b>—</b>                | <b>580,138</b>    |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs                                   | —   | 103              | —                | —                | —                | —                | —                    | —                       | 103               |  |

|  | March 31, 2024                                      |                     |                     |                     |                     |                     |                      |                         |                      |
|--|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------------------|----------------------|
|  | Term Loans Amortized Cost Basis by Origination Year |                     |                     |                     |                     |                     | Revolving Loans      |                         |                      |
| (in thousands)                               | 2024  | 2023                | 2022                | 2021                | 2020                | Prior               | Amortized Cost Basis | Converted to Term Loans | Total                |
| <b>Land and development</b>                  |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Pass   | 9,357   | 105,680             | 72,386              | 30,945              | 9,348               | 70,900              | —                    | —                       | 298,616              |
| Special Mention                              | —   | —                   | 490                 | 31                  | —                   | 1,258               | —                    | —                       | 1,779                |
| Substandard                                  | —   | 569                 | —                   | 42                  | 372                 | 1,622               | —                    | —                       | 2,605                |
| <b>Total land and development</b>            | <b>9,357</b>  | <b>106,249</b>      | <b>72,876</b>       | <b>31,018</b>       | <b>9,720</b>        | <b>73,780</b>       | —                    | —                       | <b>303,000</b>       |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Gross charge-offs                            | —   | —                   | —                   | —                   | —                   | —                   | —                    | —                       | —                    |
| <b>Total commercial real estate</b>          | <b>123,001</b>                                      | <b>917,721</b>      | <b>3,530,940</b>    | <b>3,235,873</b>    | <b>1,069,679</b>    | <b>3,063,574</b>    | <b>253,231</b>       | —                       | <b>12,194,019</b>    |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| <b>Gross charge-offs</b>                     | <b>\$ —</b>   | <b>\$ 103</b>       | <b>\$ —</b>         | <b>\$ —</b>         | <b>\$ —</b>         | <b>\$ 3,608</b>     | <b>\$ —</b>          | <b>\$ —</b>             | <b>\$ 3,711</b>      |
| <b>Consumer mortgages</b>                    |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Pass   | 103,248   | 753,144             | 754,846             | 1,021,620           | 1,193,450           | 1,499,082           | 314                  | —                       | 5,325,704            |
| Substandard                                  | 12  | 562                 | 2,891               | 5,682               | 16,334              | 33,375              | —                    | —                       | 58,856               |
| Loss   | —   | —                   | —                   | —                   | —                   | 42                  | —                    | —                       | 42                   |
| <b>Total consumer mortgages</b>              | <b>103,260</b>                                      | <b>753,706</b>      | <b>757,737</b>      | <b>1,027,302</b>    | <b>1,209,784</b>    | <b>1,532,499</b>    | <b>314</b>           | —                       | <b>5,384,602</b>     |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Gross charge-offs                            | —   | —                   | —                   | —                   | 3                   | 102                 | —                    | —                       | 105                  |
| <b>Home equity</b>                           |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Pass   | —   | —                   | —                   | —                   | —                   | —                   | 1,315,317            | 474,095                 | 1,789,412            |
| Substandard                                  | —   | —                   | —                   | —                   | —                   | —                   | 9,462                | 5,221                   | 14,683               |
| Loss   | —   | —                   | —                   | —                   | —                   | —                   | 169                  | 84                      | 253                  |
| <b>Total home equity</b>                     | <b>—</b>  | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>1,324,948</b>     | <b>479,400</b>          | <b>1,804,348</b>     |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Gross charge-offs                            | —   | —                   | —                   | —                   | —                   | —                   | —                    | 32                      | 32                   |
| <b>Credit cards</b>                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Pass   | —   | —                   | —                   | —                   | —                   | —                   | 178,762              | —                       | 178,762              |
| Substandard                                  | —   | —                   | —                   | —                   | —                   | —                   | 648                  | —                       | 648                  |
| Loss   | —   | —                   | —                   | —                   | —                   | —                   | 1,253                | —                       | 1,253                |
| <b>Total credit cards</b>                    | <b>—</b>  | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>180,663</b>       | —                       | <b>180,663</b>       |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Gross charge-offs                            | —   | —                   | —                   | —                   | —                   | —                   | 2,055                | —                       | 2,055                |
| <b>Other consumer loans</b>                  |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Pass   | 39,619  | 110,171             | 163,968             | 195,667             | 103,235             | 125,442             | 268,696              | —                       | 1,006,798            |
| Substandard                                  | —   | 1,095               | 791                 | 3,903               | 1,425               | 833                 | 79                   | —                       | 8,126                |
| Loss   | —   | —                   | —                   | —                   | —                   | —                   | 25                   | —                       | 25                   |
| <b>Total other consumer loans</b>            | <b>39,619</b>                                       | <b>111,266</b>      | <b>164,759</b>      | <b>199,570</b>      | <b>104,660</b>      | <b>126,275</b>      | <b>268,800</b>       | —                       | <b>1,014,949</b>     |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Gross charge-offs                            | —   | 692                 | 1,664               | 2,402               | 704                 | 603                 | 657                  | —                       | 6,722                |
| <b>Total consumer</b>                        | <b>142,879</b>                                      | <b>864,972</b>      | <b>922,496</b>      | <b>1,226,872</b>    | <b>1,314,444</b>    | <b>1,658,774</b>    | <b>1,774,725</b>     | <b>479,400</b>          | <b>8,384,562</b>     |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| <b>Gross charge-offs</b>                     | <b>\$ —</b>   | <b>\$ 692</b>       | <b>\$ 1,664</b>     | <b>\$ 2,402</b>     | <b>\$ 707</b>       | <b>\$ 705</b>       | <b>\$ 2,712</b>      | <b>\$ 32</b>            | <b>\$ 8,914</b>      |
| <b>Loans, net of deferred fees and costs</b> | <b>\$ 689,891</b>                                   | <b>\$ 3,857,753</b> | <b>\$ 7,025,247</b> | <b>\$ 7,401,028</b> | <b>\$ 4,191,039</b> | <b>\$ 8,806,033</b> | <b>\$ 10,790,821</b> | <b>\$ 548,065</b>       | <b>\$ 43,309,877</b> |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| <b>Gross charge-offs</b>                     | <b>\$ —</b>   | <b>\$ 16,764</b>    | <b>\$ 4,363</b>     | <b>\$ 3,019</b>     | <b>\$ 2,430</b>     | <b>\$ 11,671</b>    | <b>\$ 12,289</b>     | <b>\$ 32</b>            | <b>\$ 50,568</b>     |

|   | December 31, 2023                                   |                  |                  |                  |                  |                  |                      |                         |                   |  |
|---|---|------------------|------------------|------------------|------------------|------------------|----------------------|-------------------------|-------------------|--|
|   | Term Loans Amortized Cost Basis by Origination Year |                  |                  |                  |                  |                  | Revolving Loans      |                         |                   |  |
| (in thousands)                                      | 2023  | 2022             | 2021             | 2020             | 2019             | Prior            | Amortized Cost Basis | Converted to Term Loans | Total             |  |
| <b>Commercial, financial and agricultural</b>       |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Pass  | \$ 1,078,790  | \$ 1,040,742     | \$ 1,408,178     | \$ 782,069       | \$ 636,341       | \$ 1,236,433     | \$ 7,623,255         | \$ 46,908               | \$ 13,852,716     |  |
| Special Mention                                     | 5,298   | 8,276            | 20,027           | 1,950            | 2,552            | 8,412            | 141,580              | —                       | 188,095           |  |
| Substandard   | 36,557  | 14,742           | 35,744           | 37,186           | 88,940           | 21,032           | 182,069              | 1,685                   | 417,955           |  |
| Loss  | —   | —                | —                | —                | —                | 355              | 224                  | —                       | 579               |  |
| <b>Total commercial, financial and agricultural</b> | <b>1,120,645</b>                                    | <b>1,063,760</b> | <b>1,463,949</b> | <b>821,205</b>   | <b>727,833</b>   | <b>1,266,232</b> | <b>7,947,128</b>     | <b>48,593</b>           | <b>14,459,345</b> |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs                                   | 9,367   | 3,436            | 8,175            | 19,532           | 1,165            | 2,071            | 30,696               | 203                     | 74,645            |  |
| <b>Owner-occupied</b>                               |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Pass  | 859,887   | 1,521,469        | 1,501,405        | 958,620          | 710,634          | 1,401,416        | 782,180              | —                       | 7,735,611         |  |
| Special Mention                                     | 1,709   | 9,114            | 22,562           | 2,593            | 4,689            | 48,640           | 79,031               | —                       | 168,338           |  |
| Substandard   | 4,388   | 24,760           | 13,616           | 59,478           | 17,702           | 87,306           | 27,949               | —                       | 235,199           |  |
| <b>Total owner-occupied</b>                         | <b>865,984</b>                                      | <b>1,555,343</b> | <b>1,537,583</b> | <b>1,020,691</b> | <b>733,025</b>   | <b>1,537,362</b> | <b>889,160</b>       | <b>—</b>                | <b>8,139,148</b>  |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs                                   | —   | —                | 433              | 6,836            | 1,544            | 2,862            | —                    | —                       | 11,675            |  |
| <b>Total commercial and industrial</b>              | <b>1,986,629</b>                                    | <b>2,619,103</b> | <b>3,001,532</b> | <b>1,841,896</b> | <b>1,460,858</b> | <b>2,803,594</b> | <b>8,836,288</b>     | <b>48,593</b>           | <b>22,598,493</b> |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| <b>Gross charge-offs</b>                            | <b>\$ 9,367</b>                                     | <b>\$ 3,436</b>  | <b>\$ 8,608</b>  | <b>\$ 26,368</b> | <b>\$ 2,709</b>  | <b>\$ 4,933</b>  | <b>\$ 30,696</b>     | <b>\$ 203</b>           | <b>\$ 86,320</b>  |  |
| <b>Investment properties</b>                        |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Pass  | 593,540   | 3,140,041        | 2,863,327        | 1,161,697        | 1,052,638        | 1,900,744        | 261,737              | —                       | 10,973,724        |  |
| Special Mention                                     | —   | 1,616            | 169,550          | —                | 48,429           | 33,903           | —                    | —                       | 253,498           |  |
| Substandard   | 2,083   | 4,070            | 41,278           | 1,455            | 1,622            | 75,850           | —                    | —                       | 126,358           |  |
| Doubtful  | —   | —                | —                | —                | —                | 9,714            | —                    | —                       | 9,714             |  |
| Loss  | —   | —                | —                | —                | —                | 10               | —                    | —                       | 10                |  |
| <b>Total investment properties</b>                  | <b>595,623</b>                                      | <b>3,145,727</b> | <b>3,074,155</b> | <b>1,163,152</b> | <b>1,102,689</b> | <b>2,020,221</b> | <b>261,737</b>       | <b>—</b>                | <b>11,363,304</b> |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs <sup>(1)</sup>                    | 546   | 7,685            | 5,668            | 3,801            | 1,893            | 22,647           | 3,109                | —                       | 45,349            |  |
| <b>1-4 family properties</b>                        |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Pass  | 167,729   | 142,930          | 119,054          | 31,928           | 29,740           | 55,243           | 42,099               | —                       | 588,723           |  |
| Special Mention                                     | 3,104   | 947              | —                | 184              | —                | 311              | 1                    | —                       | 4,547             |  |
| Substandard   | 1,721   | 822              | 643              | 465              | 324              | 1,212            | 45                   | —                       | 5,232             |  |
| <b>Total 1-4 family properties</b>                  | <b>172,554</b>                                      | <b>144,699</b>   | <b>119,697</b>   | <b>32,577</b>    | <b>30,064</b>    | <b>56,766</b>    | <b>42,145</b>        | <b>—</b>                | <b>598,502</b>    |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs                                   | —   | —                | —                | —                | —                | 24               | —                    | —                       | 24                |  |
| <b>Land and development</b>                         |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Pass  | 105,609   | 84,962           | 35,993           | 16,131           | 18,616           | 59,605           | 888                  | —                       | 321,804           |  |
| Special Mention                                     | —   | 496              | —                | —                | —                | 774              | —                    | —                       | 1,270             |  |
| Substandard   | 29,204  | 411              | 74               | —                | 593              | 1,596            | —                    | —                       | 31,878            |  |
| <b>Total land and development</b>                   | <b>134,813</b>                                      | <b>85,869</b>    | <b>36,067</b>    | <b>16,131</b>    | <b>19,209</b>    | <b>61,975</b>    | <b>888</b>           | <b>—</b>                | <b>354,952</b>    |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| Gross charge-offs                                   | —   | —                | —                | 77               | —                | —                | —                    | —                       | 77                |  |
| <b>Total commercial real estate</b>                 | <b>902,990</b>                                      | <b>3,376,295</b> | <b>3,229,919</b> | <b>1,211,860</b> | <b>1,151,962</b> | <b>2,138,962</b> | <b>304,770</b>       | <b>—</b>                | <b>12,316,758</b> |  |
| Current YTD Period:                                 |   |                  |                  |                  |                  |                  |                      |                         |                   |  |
| <b>Gross charge-offs</b>                            | <b>\$ 546</b>                                       | <b>\$ 7,685</b>  | <b>\$ 5,668</b>  | <b>\$ 3,878</b>  | <b>\$ 1,893</b>  | <b>\$ 22,671</b> | <b>\$ 3,109</b>      | <b>\$ —</b>             | <b>\$ 45,450</b>  |  |

|  | December 31, 2023                                   |                     |                     |                     |                     |                     |                      |                         |                      |
|--|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------------------|----------------------|
|  | Term Loans Amortized Cost Basis by Origination Year |                     |                     |                     |                     |                     | Revolving Loans      |                         |                      |
| (in thousands)                               | 2023  | 2022                | 2021                | 2020                | 2019                | Prior               | Amortized Cost Basis | Converted to Term Loans | Total                |
| <b>Consumer mortgages</b>                    |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Pass   | \$ 757,485  | \$ 784,898          | \$ 1,044,442        | \$ 1,219,397        | \$ 410,511          | \$ 1,136,541        | \$ 35                | \$ —                    | \$ 5,353,309         |
| Substandard                                  | 564   | 2,810               | 5,517               | 15,913              | 9,478               | 23,662              | —                    | —                       | 57,944               |
| Loss   | —   | —                   | —                   | —                   | —                   | 470                 | —                    | —                       | 470                  |
| <b>Total consumer mortgages</b>              | <b>758,049</b>                                      | <b>787,708</b>      | <b>1,049,959</b>    | <b>1,235,310</b>    | <b>419,989</b>      | <b>1,160,673</b>    | <b>35</b>            | <b>—</b>                | <b>5,411,723</b>     |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Gross charge-offs                            | —   | 108                 | 251                 | 403                 | 402                 | 965                 | 5                    | —                       | 2,134                |
| <b>Home equity</b>                           |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Pass   | —   | —                   | —                   | —                   | —                   | —                   | 1,308,934            | 482,679                 | 1,791,613            |
| Substandard                                  | —   | —                   | —                   | —                   | —                   | —                   | 10,231               | 5,297                   | 15,528               |
| Loss   | —   | —                   | —                   | —                   | —                   | —                   | 174                  | 84                      | 258                  |
| <b>Total home equity</b>                     | <b>—</b>  | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>1,319,339</b>     | <b>488,060</b>          | <b>1,807,399</b>     |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Gross charge-offs                            | —   | —                   | —                   | —                   | —                   | 79                  | 819                  | 229                     | 1,127                |
| <b>Credit cards</b>                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Pass   | —   | —                   | —                   | —                   | —                   | —                   | 192,217              | —                       | 192,217              |
| Substandard                                  | —   | —                   | —                   | —                   | —                   | —                   | 702                  | —                       | 702                  |
| Loss   | —   | —                   | —                   | —                   | —                   | —                   | 1,222                | —                       | 1,222                |
| <b>Total credit cards</b>                    | <b>—</b>  | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>—</b>            | <b>194,141</b>       | <b>—</b>                | <b>194,141</b>       |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Gross charge-offs                            | —   | —                   | —                   | —                   | —                   | —                   | 7,165                | —                       | 7,165                |
| <b>Other consumer loans</b>                  |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Pass   | 134,969   | 181,455             | 219,415             | 114,006             | 28,256              | 112,724             | 277,368              | —                       | 1,068,193            |
| Substandard                                  | 573   | 963                 | 3,811               | 1,182               | 568                 | 494                 | 192                  | —                       | 7,783                |
| Total other consumer loans                   | 135,542   | 182,418             | 223,226             | 115,188             | 28,824              | 113,218             | 277,560              | —                       | 1,075,976            |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| Gross charge-offs <sup>(1)</sup>             | 627   | 6,040               | 24,231              | 3,625               | 1,971               | 2,026               | 2,358                | —                       | 40,878               |
| <b>Total consumer</b>                        | <b>893,591</b>                                      | <b>970,126</b>      | <b>1,273,185</b>    | <b>1,350,498</b>    | <b>448,813</b>      | <b>1,273,891</b>    | <b>1,791,075</b>     | <b>488,060</b>          | <b>8,489,239</b>     |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| <b>Gross charge-offs</b>                     | <b>\$ 627</b>                                       | <b>\$ 6,148</b>     | <b>\$ 24,482</b>    | <b>\$ 4,028</b>     | <b>\$ 2,373</b>     | <b>\$ 3,070</b>     | <b>\$ 10,347</b>     | <b>\$ 229</b>           | <b>\$ 51,304</b>     |
| <b>Loans, net of deferred fees and costs</b> | <b>\$ 3,783,210</b>                                 | <b>\$ 6,965,524</b> | <b>\$ 7,504,636</b> | <b>\$ 4,404,254</b> | <b>\$ 3,061,633</b> | <b>\$ 6,216,447</b> | <b>\$ 10,932,133</b> | <b>\$ 536,653</b>       | <b>\$ 43,404,490</b> |
| Current YTD Period:                          |   |                     |                     |                     |                     |                     |                      |                         |                      |
| <b>Gross charge-offs</b>                     | <b>\$ 10,540</b>                                    | <b>\$ 17,269</b>    | <b>\$ 38,758</b>    | <b>\$ 34,274</b>    | <b>\$ 6,975</b>     | <b>\$ 30,674</b>    | <b>\$ 44,152</b>     | <b>\$ 432</b>           | <b>\$ 183,074</b>    |

<sup>(1)</sup> Includes \$31.3 million in gross charge-offs related to the transfer of certain loans to held for sale that sold during 2023.

#### Collateral-Dependent Loans

We classify a loan as collateral-dependent when our borrower is experiencing financial difficulty, and we expect repayment to be provided substantially through the operation or sale of collateral. Our commercial loans have collateral that is comprised of real estate and business assets. Our consumer loans have collateral that is substantially comprised of residential real estate.

There were no material changes in the extent to which collateral secures our collateral-dependent loans during the three months ended March 31, 2024.

### *Rollforward of Allowance for Loan Losses*

The following tables detail the changes in the ALL by loan segment for the three months ended March 31, 2024 and 2023. During the three months ended March 31, 2024, Synovus had no significant transfers to loans held for sale. During the three months ended March 31, 2023, Synovus charged-off \$6.6 million in previously established reserves for credit losses associated with the transfer of \$424.1 million in certain third-party consumer loans to held for sale as part of our overall balance sheet management strategy.

| (in thousands)                                      | As Of and For the Three Months Ended March 31, 2024 |                        |                   |                   |  |
|---|---|------------------------|-------------------|-------------------|--|
|   | Commercial & Industrial                             | Commercial Real Estate | Consumer          | Total             |  |
| <b>Allowance for loan losses:</b>                   |   |                        |                   |                   |  |
| Beginning balance at December 31, 2023              | \$ 218,970  | \$ 133,758             | \$ 126,657        | \$ 479,385        |  |
| Charge-offs   | (37,943)  | (3,711)                | (8,914)           | (50,568)          |  |
| Recoveries  | 3,288   | 767                    | 2,157             | 6,212             |  |
| Provision for (reversal of) loan losses             | 29,167  | 21,813                 | 6,652             | 57,632            |  |
| Ending balance at March 31, 2024                    | <u>\$ 213,482</u>                                   | <u>\$ 152,627</u>      | <u>\$ 126,552</u> | <u>\$ 492,661</u> |  |
|   |   |                        |                   |                   |  |
| As Of and For the Three Months Ended March 31, 2023 |   |                        |                   |                   |  |
| (in thousands)                                      | Commercial & Industrial                             | Commercial Real Estate | Consumer          | Total             |  |
|   |   |                        |                   |                   |  |
| <b>Allowance for loan losses:</b>                   |   |                        |                   |                   |  |
| Beginning balance at December 31, 2022              | \$ 161,550  | \$ 143,575             | \$ 138,299        | \$ 443,424        |  |
| Charge-offs   | (7,873)   | (96)                   | (17,366)          | (25,335)          |  |
| Recoveries  | 3,476   | 284                    | 3,025             | 6,785             |  |
| Provision for (reversal of) loan losses             | 1,535   | 16,629                 | 13,972            | 32,136            |  |
| Ending balance at March 31, 2023                    | <u>\$ 158,688</u>                                   | <u>\$ 160,392</u>      | <u>\$ 137,930</u> | <u>\$ 457,010</u> |  |

The ALL of \$492.7 million and the reserve for unfunded commitments of \$53.6 million, which is recorded in other liabilities, comprise the total ACL of \$546.2 million at March 31, 2024. The ACL increased \$9.6 million compared to the December 31, 2023 ACL of \$536.6 million, which consisted of the ALL of \$479.4 million and the reserve for unfunded commitments of \$57.2 million. The ACL to loans coverage ratio was 1.26% at March 31, 2024, compared to 1.24% at December 31, 2023. The increase in the ACL from December 31, 2023 resulted primarily from credit performance that included downward migration and a qualitative adjustment that offset improved economic inputs and net charge-offs.

The ACL is estimated using a two-year reasonable and supportable forecast period. To the extent the lives of the loans in the portfolio extend beyond the period for which a reasonable and supportable forecast can be made, the Company reverts on a straight-line basis back to the historical rates over a one-year period. Synovus utilizes multiple economic forecast scenarios sourced from a reputable third-party provider that are probability-weighted internally. The current scenarios include a consensus baseline forecast, an upside scenario reflecting an accelerated recovery, a downside scenario that reflects adverse economic conditions, and an additional adverse scenario that assumes consistent slow growth that is less optimistic than the baseline. At March 31, 2024, the unemployment rate is the input that most significantly impacts our estimate. The multi-scenario forecast used in our estimate includes a weighted average unemployment rate of 4.4% over the forecasted period at March 31, 2024, compared to 4.5% at December 31, 2023.

### *Financial Difficulty Modifications*

When borrowers are experiencing financial difficulty, Synovus may make certain loan modifications as part of its loss mitigation strategies to maximize expected payment. See "Part II - Item 8. Financial Statements and Supplementary Data - Note 1 - Summary of Significant Accounting Policies" of Synovus' 2023 Form 10-K for additional information regarding accounting policies for FDMs.

The following tables present the amortized cost of FDM loans by loan portfolio class that were modified during the three months ended March 31, 2024 and 2023.

|  | Three Months Ended March 31, 2024 |                 |               |  |                  |  |
|--|-----------------------------------|-----------------|---------------|--|------------------|--|
| (in thousands)                         | Interest Rate Reduction           | Term Extension  | Payment Delay | Interest Rate Reduction and Term Extension | Total            | Percentage of Total by Financing Class |
| Commercial, financial and agricultural | \$ —                              | \$ 1,374        | \$ —          | \$ 8,142                                   | \$ 9,516         | 0.1 %                                  |
| Owner-occupied                         | —                                 | 198             | —             | —  | 198              | —                                      |
| Total commercial and industrial        | —                                 | 1,572           | —             | 8,142                                      | 9,714            | —                                      |
| Investment properties                  | —                                 | 2,244           | —             | —  | 2,244            | —                                      |
| 1-4 family properties                  | —                                 | —               | —             | —  | —                | —                                      |
| Land and development                   | —                                 | —               | —             | —  | —                | —                                      |
| Total commercial real estate           | —                                 | 2,244           | —             | —  | 2,244            | —                                      |
| Consumer mortgages                     | 123                               | —               | 210           | —  | 333              | —                                      |
| Home equity                            | —                                 | 11              | —             | —  | 11               | —                                      |
| Credit cards                           | —                                 | —               | —             | —  | —                | —                                      |
| Other consumer loans                   | 121                               | 257             | —             | 3  | 381              | —                                      |
| Total consumer                         | 244                               | 268             | 210           | 3  | 725              | —                                      |
| Total FDMs                             | <b>\$ 244</b>                     | <b>\$ 4,084</b> | <b>\$ 210</b> | <b>\$ 8,145</b>                            | <b>\$ 12,683</b> | <b>— %</b>                             |

|  | Three Months Ended March 31, 2023 |                  |  |                  |  |
|--|-----------------------------------|------------------|--|------------------|--|
| (in thousands)                         | Interest Rate Reduction           | Term Extension   | Interest Rate Reduction and Term Extension | Total            | Percentage of Total by Financing Class |
| Commercial, financial and agricultural | \$ 49                             | \$ 16,321        | \$ 247                                     | \$ 16,617        | 0.1 %                                  |
| Owner-occupied                         | —                                 | 1,468            | 41,263                                     | 42,731           | 0.5                                    |
| Total commercial and industrial        | 49                                | 17,789           | 41,510                                     | 59,348           | 0.3                                    |
| Investment properties                  | —                                 | —                | —  | —                | —                                      |
| 1-4 family properties                  | —                                 | 1,339            | —  | 1,339            | 0.2                                    |
| Land and development                   | —                                 | —                | —  | —                | —                                      |
| Total commercial real estate           | —                                 | 1,339            | —  | 1,339            | —                                      |
| Consumer mortgages                     | 113                               | —                | —  | 113              | —                                      |
| Home equity                            | —                                 | 88               | 15   | 103              | —                                      |
| Credit cards                           | —                                 | —                | —  | —                | —                                      |
| Other consumer loans                   | 64                                | 141              | 231  | 436              | —                                      |
| Total consumer                         | 177                               | 229              | 246  | 652              | —                                      |
| Total FDMs                             | <b>\$ 226</b>                     | <b>\$ 19,357</b> | <b>\$ 41,756</b>                           | <b>\$ 61,339</b> | <b>0.1 %</b>                           |

The following tables present the financial effect of loan modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2024 and 2023.

| (Dollars in thousands)                 | <b>Three Months Ended March 31, 2024</b>        |  |  |
|--|---|--|--|
|  | <b>Weighted Average Interest Rate Reduction</b> | <b>Weighted Average Term Extension (in months)</b> | <b>Weighted Average Payment Deferral (in months)</b> |
|  | — %   | 18   | —  |
| Commercial, financial and agricultural | —   | 18   | —  |
| Owner-occupied                         | —   | 60   | —  |
| Investment properties                  | —   | 12   | —  |
| Consumer mortgages                     | 2.3   | —  | 7  |
| Home equity                            | —   | 243  | —  |
| Other consumer loans                   | 2.5   | 75   | —  |

  

| (Dollars in thousands)                 | <b>Three Months Ended March 31, 2023</b>        |  |
|--|---|--|
|  | <b>Weighted Average Interest Rate Reduction</b> | <b>Weighted Average Term Extension (in months)</b> |
|  | — %   | —  |
| Commercial, financial and agricultural | 3.3 %   | 8  |
| Owner-occupied                         | 1.7   | 9  |
| 1-4 family properties                  | —   | 12   |
| Consumer mortgages                     | 2.2   | —  |
| Home equity                            | 1.1   | 334  |
| Other consumer loans                   | 3.5   | 68   |

During the three months ended March 31, 2024, commercial, financial and agricultural loans of \$71.6 million defaulted that were previously modified in the prior 12 months by receiving a term extension. Defaults are defined as the earlier of the FDM being placed on non-accrual status or reaching 90 days past due with respect to principal and/or interest payments. During the three months ended March 31, 2023, there were no FDMs that subsequently defaulted. As of March 31, 2024 and December 31, 2023, there were no commitments to lend a material amount of additional funds to any borrower whose loan was classified as a FDM.

Synovus monitors the performance of FDMs to understand the effectiveness of its modification efforts. The following table provides a summary of current, accruing past due, and non-accrual loans on an amortized cost basis by loan portfolio class that have been modified during the 12 months prior to March 31, 2024.

|  | As of March 31, 2024 |                              |                                      |             |            |
|--|----------------------|------------------------------|--------------------------------------|-------------|------------|
|  | Current              | Accruing 30-89 Days Past Due | Accruing 90 Days or Greater Past Due | Non-accrual | Total      |
| (in thousands)                         |                      |                              |                                      |             |            |
| Commercial, financial and agricultural | \$ 54,662            | \$ 79                        | \$ —                                 | \$ 79,810   | \$ 134,551 |
| Owner-occupied                         | 33,829               | —                            | —                                    | 751         | 34,580     |
| Total commercial and industrial        | 88,491               | 79                           | —                                    | 80,561      | 169,131    |
| Investment properties                  | 3,130                | —                            | —                                    | —           | 3,130      |
| 1-4 family properties                  | 65                   | —                            | —                                    | 342         | 407        |
| Land and development                   | 1,117                | —                            | —                                    | —           | 1,117      |
| Total commercial real estate           | 4,312                | —                            | —                                    | 342         | 4,654      |
| Consumer mortgages                     | 1,230                | 187                          | —                                    | 1,370       | 2,787      |
| Home equity                            | 618                  | —                            | —                                    | —           | 618        |
| Credit cards                           | —                    | —                            | —                                    | —           | —          |
| Other consumer loans                   | 1,032                | 245                          | —                                    | 247         | 1,524      |
| Total consumer                         | 2,880                | 432                          | —                                    | 1,617       | 4,929      |
| Total FDMs                             | \$ 95,683            | \$ 511                       | \$ —                                 | \$ 82,520   | \$ 178,714 |

The following table provides a summary of current, accruing past due, and non-accrual loans on an amortized cost basis by loan portfolio class that were modified on or after January 1, 2023, the date Synovus adopted ASU 2022-02, through March 31, 2023.

|  | As of March 31, 2023 |                              |                                      |                            |           |
|--|----------------------|------------------------------|--------------------------------------|----------------------------|-----------|
|  | Current              | Accruing 30-89 Days Past Due | Accruing 90 Days or Greater Past Due | Non-accrual <sup>(1)</sup> | Total     |
| (in thousands)                         |                      |                              |                                      |                            |           |
| Commercial, financial and agricultural | \$ 16,028            | \$ —                         | \$ —                                 | \$ 589                     | \$ 16,617 |
| Owner-occupied                         | 42,731               | —                            | —                                    | —                          | 42,731    |
| Total commercial and industrial        | 58,759               | —                            | —                                    | 589                        | 59,348    |
| Investment properties                  | —                    | —                            | —                                    | —                          | —         |
| 1-4 family properties                  | 1,339                | —                            | —                                    | —                          | 1,339     |
| Land and development                   | —                    | —                            | —                                    | —                          | —         |
| Total commercial real estate           | 1,339                | —                            | —                                    | —                          | 1,339     |
| Consumer mortgages                     | —                    | —                            | —                                    | 113                        | 113       |
| Home equity                            | 103                  | —                            | —                                    | —                          | 103       |
| Credit cards                           | —                    | —                            | —                                    | —                          | —         |
| Other consumer loans                   | 22                   | —                            | —                                    | 414                        | 436       |
| Total consumer                         | 125                  | —                            | —                                    | 527                        | 652       |
| Total FDMs                             | \$ 60,223            | \$ —                         | \$ —                                 | \$ 1,116                   | \$ 61,339 |

<sup>(1)</sup> Loans were on non-accrual when modified and subsequently classified as FDMs.

#### Note 4 - Shareholders' Equity and Other Comprehensive Income (Loss)

##### *Repurchases of Common Stock*

Synovus announced on January 18, 2024 that its Board of Directors authorized share repurchases of up to \$300 million of common stock and \$50 million of preferred stock in 2024. During the three months ended March 31, 2024, Synovus repurchased 800 thousand shares of common stock at an average price of \$37.36 per share via open market transactions.

##### *Changes in Accumulated Other Comprehensive Income (Loss) by Component (Net of Income Taxes)*

The following tables illustrate activity within the balances in accumulated other comprehensive income (loss) by component for the three months ended March 31, 2024 and 2023.

##### **Changes in Accumulated Other Comprehensive Income (Loss) by Component (Net of Income Taxes)**

| <i>(in thousands)</i>                                      | Net unrealized gains<br>(losses) on<br>investment securities<br>available for sale <sup>(1)</sup> | Net unrealized gains<br>(losses) on cash flow<br>hedges <sup>(1)</sup> | Total                        |
|--|---|--|------------------------------|
| Balance at December 31, 2023                               | \$ (998,259)  | \$ (118,814)   | \$ (1,117,073)               |
| Other comprehensive income (loss) before reclassifications | (118,050)   | (43,277)   | (161,327)                    |
| Amounts reclassified from AOCI                             | —   | 30,206   | 30,206                       |
| Net current period other comprehensive income (loss)       | <u>(118,050)</u>  | <u>(13,071)</u>  | <u>(131,121)</u>             |
| Balance at March 31, 2024                                  | <u><u>\$ (1,116,309)</u></u>  | <u><u>\$ (131,885)</u></u>   | <u><u>\$ (1,248,194)</u></u> |
|  |   |  |                              |
| Balance at December 31, 2022                               | \$ (1,220,263)  | \$ (221,854)   | \$ (1,442,117)               |
| Other comprehensive income (loss) before reclassifications | 115,821   | 7,566  | 123,387                      |
| Amounts reclassified from AOCI                             | (779)   | 30,182   | 29,403                       |
| Net current period other comprehensive income (loss)       | <u>115,042</u>  | <u>37,748</u>  | <u>152,790</u>               |
| Balance at March 31, 2023                                  | <u><u>\$ (1,105,221)</u></u>  | <u><u>\$ (184,106)</u></u>   | <u><u>\$ (1,289,327)</u></u> |

<sup>(1)</sup> For March 31, 2024, the ending balance in net unrealized gains (losses) on investment securities available for sale and cash flow hedges includes unrealized losses of \$10.2 million and \$11.6 million, respectively, related to residual tax effects remaining in OCI primarily due to previously established deferred tax asset valuation allowances in 2010 and 2011 and state rate changes. For March 31, 2023, the ending balance in net unrealized gains (losses) on investment securities available for sale and cash flow hedges includes unrealized losses of \$13.3 million and \$12.1 million, respectively, related to residual tax effects remaining in OCI due to previously established deferred tax asset valuation allowances in 2010 and 2011. In accordance with ASC 740-20-45-11(b), under the portfolio approach, these unrealized losses are realized at the time the entire portfolio is sold or disposed.

## Note 5 - Fair Value Accounting

See "Part II - Item 8. Financial Statements and Supplementary Data - Note 1 - Summary of Significant Accounting Policies" of Synovus' 2023 Form 10-K for a description of valuation methodologies for assets and liabilities measured at fair value on a recurring and non-recurring basis.

The following table presents assets and liabilities measured at estimated fair value on a recurring basis.

| (in thousands)  | March 31, 2024 |              |         |                                  | December 31, 2023 |              |         |                                  |
|---|----------------|--------------|---------|----------------------------------|-------------------|--------------|---------|----------------------------------|
|   | Level 1        | Level 2      | Level 3 | Total<br>Estimated<br>Fair Value | Level 1           | Level 2      | Level 3 | Total<br>Estimated<br>Fair Value |
|   |                |              |         |                                  |                   |              |         |                                  |
| <b>Assets</b>   |                |              |         |                                  |                   |              |         |                                  |
| Trading securities:   |                |              |         |                                  |                   |              |         |                                  |
| Collateralized mortgage obligations issued by U.S. Government sponsored enterprises             | \$ —           | \$ 2,914     | \$ —    | \$ 2,914                         | \$ —              | \$ 2,910     | \$ —    | \$ 2,910                         |
| Other mortgage-backed securities  | —              | —            | —       | —                                | —                 | 2,149        | —       | 2,149                            |
| State and municipal securities  | —              | 72           | —       | 72                               | —                 | —            | —       | —                                |
| Asset-backed securities   | —              | 4,425        | —       | 4,425                            | —                 | 7,839        | —       | 7,839                            |
| Total trading securities  | \$ —           | \$ 7,411     | \$ —    | \$ 7,411                         | \$ —              | \$ 12,898    | \$ —    | \$ 12,898                        |
| Investment securities available for sale:   |                |              |         |                                  |                   |              |         |                                  |
| U.S. Treasury securities  | \$ 615,409     | \$ —         | \$ —    | \$ 615,409                       | \$ 597,629        | \$ —         | \$ —    | \$ 597,629                       |
| U.S. Government agency securities   | —              | 28,783       | —       | 28,783                           | —                 | 28,940       | —       | 28,940                           |
| Mortgage-backed securities issued by U.S. Government agencies                                   | —              | 911,918      | —       | 911,918                          | —                 | 925,664      | —       | 925,664                          |
| Mortgage-backed securities issued by U.S. Government sponsored enterprises                      | —              | 6,182,911    | —       | 6,182,911                        | —                 | 6,430,379    | —       | 6,430,379                        |
| Collateralized mortgage obligations issued by U.S. Government agencies or sponsored enterprises | —              | 564,940      | —       | 564,940                          | —                 | 587,595      | —       | 587,595                          |
| Commercial mortgage-backed securities issued by U.S.  |                |              |         |                                  |                   |              |         |                                  |
| Government agencies or sponsored enterprises  | —              | 1,381,730    | —       | 1,381,730                        | —                 | 1,209,783    | —       | 1,209,783                        |
| Corporate debt securities and other debt securities   | —              | 8,824        | —       | 8,824                            | —                 | 8,672        | —       | 8,672                            |
| Total investment securities available for sale  | \$ 615,409     | \$ 9,079,106 | \$ —    | \$ 9,694,515                     | \$ 597,629        | \$ 9,191,033 | \$ —    | \$ 9,788,662                     |
| Mortgage loans held for sale  | \$ —           | \$ 36,698    | \$ —    | \$ 36,698                        | \$ —              | \$ 47,338    | \$ —    | \$ 47,338                        |
| Other investments   | —              | —            | 13,115  | 13,115                           | —                 | —            | 12,560  | 12,560                           |
| Mutual funds and mutual funds held in rabbi trusts  | 59,649         | —            | —       | 59,649                           | 53,742            | —            | —       | 53,742                           |
| Derivative assets   | —              | 103,589      | —       | 103,589                          | —                 | 94,903       | —       | 94,903                           |
| <b>Liabilities</b>  |                |              |         |                                  |                   |              |         |                                  |
| Securities sold short   | \$ 2,469       | \$ —         | \$ —    | \$ 2,469                         | \$ 3,496          | \$ —         | \$ —    | \$ 3,496                         |
| Mutual funds held in rabbi trusts   | 44,759         | —            | —       | 44,759                           | 38,735            | —            | —       | 38,735                           |
| Derivative liabilities  | —              | 286,094      | —       | 286,094                          | —                 | 259,650      | —       | 259,650                          |

### Fair Value Option

Synovus has elected the fair value option for mortgage loans held for sale primarily to ease the operational burden required to maintain hedge accounting for these loans. Synovus is still able to achieve effective economic hedges on mortgage loans held for sale without the time and expense needed to manage a hedge accounting program.



The following table summarizes the difference between the fair value and the UPB of mortgage loans held for sale and the changes in fair value of these loans. An immaterial portion of these changes in fair value was attributable to instrument-specific credit risk.

| <b>Mortgage Loans Held for Sale</b>                |  | <b>As of March 31, 2024</b> | <b>As of December 31, 2023</b> |
|--|--|-----------------------------|--------------------------------|
| (in thousands)                                     |  |                             |                                |
| Fair value   |  | \$ 36,698                   | \$ 47,338                      |
| Unpaid principal balance                           |  | 35,793                      | 45,627                         |
| Fair value less aggregate unpaid principal balance |  | <u><u>\$ 905</u></u>        | <u><u>\$ 1,711</u></u>         |

| <b>Changes in Fair Value Included in Net Income</b> | <b>Three Months Ended March 31,</b> |             | <b>Location in Consolidated Statements of Income</b> |
|---|-------------------------------------|-------------|--|
|   | <b>2024</b>                         | <b>2023</b> |  |
| (in thousands)                                      |                                     |             | Mortgage banking income                              |
| Mortgage loans held for sale                        | \$ (806)                            | \$ 303      |  |

#### *Activity for Level 3 Assets and Liabilities*

See "Part II - Item 8. Financial Statements and Supplementary Data - Note 12 - Fair Value Accounting" of Synovus' 2023 Form 10-K for a description of the valuation techniques and significant inputs for Level 3 assets and liabilities that are measured at fair value on a recurring and non-recurring basis. During the three months ended March 31, 2024 and 2023, Synovus did not have any transfers in or out of Level 3 in the fair value hierarchy. The following tables provide rollforwards of Level 3 assets measured at fair value on a recurring basis.

|  | <b>Three Months Ended March 31, 2024</b> |
|--|--|
|  | <b>Other Investments</b>                 |
| (in thousands)   |  |
| Beginning balance at December 31, 2023   | \$ 12,560                                |
| Total gains (losses) realized/unrealized:  |  |
| Included in earnings   | (21)                                     |
| Additions  | 576                                      |
| Ending balance at March 31, 2024   | \$ 13,115                                |
| Total net gains (losses) for the period included in earnings attributable to the change in unrealized gains/(losses) relating to assets/liabilities still held at March 31, 2024 | \$ (21)                                  |

|  | <b>Three Months Ended March 31, 2023</b> |
|--|--|
|  | <b>Other Investments</b>                 |
| (in thousands)   |  |
| Beginning balance at December 31, 2022   | \$ 11,172                                |
| Total gains (losses) realized/unrealized:  |  |
| Included in earnings   | (28)                                     |
| Additions  | 511                                      |
| Ending balance at March 31, 2023   | \$ 11,655                                |
| Total net gains (losses) for the period included in earnings attributable to the change in unrealized gains/(losses) relating to assets/liabilities still held at March 31, 2023 | \$ (28)                                  |

The following table presents assets measured at fair value on a non-recurring basis, as of the dates indicated, for which there was a fair value adjustment.

| (in thousands)             | March 31, 2024 |         |            | Fair Value Adjustments<br>for the Three Months<br>Ended March 31, 2024 | Location in Consolidated Statements of Income           |
|----------------------------|----------------|---------|------------|--|---|
|                            | Level 1        | Level 2 | Level 3    |  |   |
| Loans <sup>(1)</sup>       | \$ —           | \$ —    | \$ 117,571 | \$ 15,328  | Provision for (reversal of) credit losses               |
|                            |                |         |            |  |   |
|                            | March 31, 2023 |         |            | Fair Value Adjustments<br>for the Three Months<br>Ended March 31, 2023 | Location in Consolidated Statements of Income           |
|                            | Level 1        | Level 2 | Level 3    |  |   |
| Loans <sup>(1)</sup>       | \$ —           | \$ —    | \$ 49      | \$ 50  | Provision for (reversal of) credit losses               |
| Other loans held for sale  | —              | —       | 391,157    | 16,750   | Loss on other loans held for sale                       |
| Qualpay receivable         | —              | —       | 31,109     | 15,789   | Recovery of NPA; Other operating expense <sup>(2)</sup> |
| Other assets held for sale | —              | —       | 450        | 50   | Other operating expense                                 |

<sup>(1)</sup> Collateral-dependent loans that were written down to fair value of collateral.

<sup>(2)</sup> Recovery of NPA amount was \$13.1 million in non-interest revenue while other operating expense amount was a reversal of \$2.7 million.

#### Fair Value of Financial Instruments

The following tables present the carrying and estimated fair values of financial instruments at March 31, 2024 and December 31, 2023. The fair values represent management's best estimates based on a range of methodologies and assumptions. See "Part II - Item 8. Financial Statements and Supplementary Data - Note 1 - Summary of Significant Accounting Policies" to the consolidated financial statements of Synovus' 2023 Form 10-K for a description of how fair value measurements are determined.

| (in thousands)  | March 31, 2024 |               |              |               |            |
|---|----------------|---------------|--------------|---------------|------------|
|   | Carrying Value | Fair Value    | Level 1      | Level 2       | Level 3    |
| <b>Financial assets</b>   |                |               |              |               |            |
| Total cash, cash equivalents, and restricted cash                       | \$ 2,423,500   | \$ 2,423,500  | \$ 2,423,500 | \$ —          | \$ —       |
| Trading securities  | 7,411          | 7,411         | —            | 7,411         | —          |
| Investment securities available for sale                                | 9,694,515      | 9,694,515     | 615,409      | 9,079,106     | —          |
| Loans held for sale   | 130,586        | 130,496       | —            | 36,698        | 93,798     |
| Other investments   | 13,115         | 13,115        | —            | —             | 13,115     |
| Mutual funds and mutual funds held in rabbi trusts                      | 59,649         | 59,649        | 59,649       | —             | —          |
| Loans, net <sup>(1)</sup>   | 42,817,216     | 41,124,811    | —            | —             | 41,124,811 |
| FRB and FHLB stock  | 213,713        | 213,713       | —            | 213,713       | —          |
| Derivative assets   | 103,589        | 103,589       | —            | 103,589       | —          |
| <b>Financial liabilities</b>  |                |               |              |               |            |
| Non-interest-bearing deposits   | \$ 12,042,353  | \$ 12,042,353 | \$ —         | \$ 12,042,353 | \$ —       |
| Non-time interest-bearing deposits                                      | 27,348,773     | 27,348,773    | —            | 27,348,773    | —          |
| Time deposits   | 11,189,116     | 11,160,289    | —            | 11,160,289    | —          |
| Total deposits <sup>(2)</sup>   | \$ 50,580,242  | \$ 50,551,415 | \$ —         | \$ 50,551,415 | \$ —       |
| Federal funds purchased and securities sold under repurchase agreements | 128,244        | 128,244       | 128,244      | —             | —          |
| Securities sold short   | 2,469          | 2,469         | 2,469        | —             | —          |
| Short-term FHLB advances  | 250,000        | 250,000       | —            | 250,000       | —          |
| Long-term debt  | 2,031,735      | 2,006,557     | —            | 2,006,557     | —          |
| Mutual funds held in rabbi trusts                                       | 44,759         | 44,759        | 44,759       | —             | —          |
| Derivative liabilities  | 286,094        | 286,094       | —            | 286,094       | —          |

<sup>(1)</sup> Synovus estimates the fair value of loans based on present value of the future cash flows using the interest rate that would be charged for a similar loan to a borrower with similar risk, adjusted for a discount based on the estimated time period to complete a sale transaction with a market participant.

<sup>(2)</sup> The fair value of deposits with no stated maturity, such as non-interest-bearing demand, interest bearing demand, money market, and savings accounts reflects the carrying amount which is payable on demand, as of the respective date, and may not align with other valuation methods or processes. The fair value of time deposits is based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits of similar remaining maturities.

| (in thousands)  | December 31, 2023 |               |              |               |            |
|---|-------------------|---------------|--------------|---------------|------------|
|   | Carrying Value    | Fair Value    | Level 1      | Level 2       | Level 3    |
| <b>Financial assets</b>   |                   |               |              |               |            |
| Total cash, cash equivalents, and restricted cash                       | \$ 2,451,426      | \$ 2,451,426  | \$ 2,451,426 | \$ —          | \$ —       |
| Trading securities  | 12,898            | 12,898        | —            | 12,898        | —          |
| Investment securities available for sale                                | 9,788,662         | 9,788,662     | 597,629      | 9,191,033     | —          |
| Loans held for sale   | 52,768            | 52,770        | —            | 47,338        | 5,432      |
| Other investments   | 12,560            | 12,560        | —            | —             | 12,560     |
| Mutual funds and mutual funds held in rabbi trusts                      | 53,742            | 53,742        | 53,742       | —             | —          |
| Loans, net <sup>(1)</sup>   | 42,925,105        | 41,298,149    | —            | —             | 41,298,149 |
| FRB and FHLB stock  | 184,944           | 184,944       | —            | 184,944       | —          |
| Derivative assets   | 94,903            | 94,903        | —            | 94,903        | —          |
| <b>Financial liabilities</b>  |                   |               |              |               |            |
| Non-interest-bearing deposits   | \$ 12,507,616     | \$ 12,507,616 | \$ —         | \$ 12,507,616 | \$ —       |
| Non-time interest-bearing deposits                                      | 27,449,088        | 27,449,088    | —            | 27,449,088    | —          |
| Time deposits   | 10,782,481        | 10,769,002    | —            | 10,769,002    | —          |
| Total deposits <sup>(2)</sup>   | \$ 50,739,185     | \$ 50,725,706 | \$ —         | \$ 50,725,706 | \$ —       |
| Federal funds purchased and securities sold under repurchase agreements | 189,074           | 189,074       | 189,074      | —             | —          |
| Securities sold short   | 3,496             | 3,496         | 3,496        | —             | —          |
| Long-term debt  | 1,932,534         | 1,939,604     | —            | 1,939,604     | —          |
| Mutual funds held in rabbi trusts                                       | 38,735            | 38,735        | 38,735       | —             | —          |
| Derivative liabilities  | 259,650           | 259,650       | —            | 259,650       | —          |

<sup>(1)</sup> Synovus estimates the fair value of loans based on present value of the future cash flows using the interest rate that would be charged for a similar loan to a borrower with similar risk, adjusted for a discount based on the estimated time period to complete a sale transaction with a market participant.

<sup>(2)</sup> The fair value of deposits with no stated maturity, such as non-interest-bearing demand, interest bearing demand, money market, and savings accounts reflects the carrying amount which is payable on demand, as of the respective date, and may not align with other valuation methods or processes. The fair value of time deposits is based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits of similar remaining maturities.

## Note 6 - Derivative Instruments and Hedging Activities

Synovus utilizes derivative instruments to manage its exposure to various types of interest rate risk, exposures related to liquidity and credit risk, and to facilitate client transactions. The primary types of derivative instruments utilized by Synovus consist of interest rate swaps, interest rate lock commitments made to prospective mortgage loan clients, commitments to sell fixed-rate mortgage loans, and foreign currency exchange forwards. Interest rate lock commitments represent derivative instruments since it is intended that such loans will be sold. Synovus also provides foreign currency exchange services, primarily forward contracts, with counterparties to allow commercial clients to mitigate exchange rate risk. Synovus covers its risk by entering into an offsetting foreign currency exchange forward contract. Synovus enters into risk participation agreements with financial institution counterparties where we are either a participant or a lead bank so that the risk of default on the interest rate swaps is shared. Synovus either pays or receives a fee depending on the participation type. Synovus is party to master netting arrangements with its dealer counterparties; however, Synovus does not offset assets and liabilities under these arrangements for financial statement presentation purposes. See "Part II - Item 8. Financial Statements and Supplementary Data - Note 1 - Summary of Significant Accounting Policies" to the consolidated financial statements of Synovus' 2023 Form 10-K for additional information regarding accounting policies for derivatives.

### Hedging Derivatives

Cash flow hedging relationships mitigate exposure to the variability of future cash flows or other forecasted transactions. Synovus has entered into interest rate swap contracts to manage overall cash flow changes related to interest rate risk exposure on index-based variable rate commercial loans. The contracts effectively modify Synovus' exposure to interest rate risk by utilizing receive fixed/pay index-based variable rate interest rate swaps.

For cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported initially as a component of accumulated other comprehensive income (loss), net of the tax impact, and subsequently reclassified into earnings when the hedged transaction affects earnings with the impacts recorded in the same income statement line item used to present the earnings effect of the hedged item. When a cash flow hedge relationship is discontinued but the hedged cash flows,

or forecasted transactions, are still expected to occur, gains or losses that were accumulated in OCI are amortized into earnings over the same periods in which the hedged transactions are still expected to affect earnings. If, however, it is probable the forecasted transactions will no longer occur, the remaining accumulated amounts in OCI for the impacted cash flow hedges are immediately recognized in earnings.

Synovus recorded no unrealized gains (losses) during the three months ended March 31, 2024 and 2023 related to terminated cash flow hedges. Synovus recognized a pre-tax loss of \$5.6 million during the three months ended March 31, 2024 and pre-tax loss of \$5.4 million for the three months ended March 31, 2023, related to the amortization of terminated cash flow hedges. Amounts related to the amortization of terminated cash flow hedges are being recognized into earnings in conjunction with the effective terms of the original swaps through the third quarter of 2026.

As of March 31, 2024, Synovus expects to reclassify into earnings approximately \$116 million in pre-tax loss due to the receipt or payment of interest payments on all cash flow hedges within the next 12 months. Included in this amount is approximately \$20 million in pre-tax loss related to the amortization of terminated cash flow hedges. As of March 31, 2024, the maximum length of time over which Synovus is hedging its exposure to the variability in future cash flows is through the first quarter of 2028.

Fair value hedging relationships mitigate exposure to the change in fair value of an asset or liability. Synovus has entered into receive-fixed, pay-variable interest rate swap contracts to hedge the change in the fair value due to fluctuations in market interest rates for outstanding fixed-rate long-term debt and fixed-rate term interest-bearing deposits. The changes in fair value of the fair value hedges are recorded through earnings with an offset against changes in the fair value of the hedged item within interest expense in the consolidated statements of income. All components of each derivative instrument's gain/(loss) are included in the assessment of hedge effectiveness.

Derivatives not designated as hedges include those that are entered into as either economic hedges to facilitate client needs or as part of Synovus' overall risk management strategy. Economic hedges are those that do not qualify to be treated as a fair value hedge or cash flow hedge for accounting purposes but are necessary to economically manage the risk exposure associated with the assets and liabilities of Synovus. For derivative instruments that are not designated as hedging instruments, changes in the fair value of the derivatives are recognized in earnings immediately.

#### *Counterparty Credit Risk and Collateral*

Entering into derivative contracts potentially exposes Synovus to the risk of counterparties' failure to fulfill their legal obligations, including, but not limited to, potential amounts due or payable under each derivative contract. Notional principal amounts are often used to express the volume of these transactions, but the amounts potentially subject to credit risk are much smaller. Synovus assesses the credit risk of its dealer counterparties by regularly monitoring publicly available credit rating information, evaluating other market indicators, and periodically reviewing detailed financials. Dealer collateral requirements are determined via risk-based policies and procedures and in accordance with existing agreements. Synovus seeks to minimize dealer credit risk by dealing with highly rated counterparties and by obtaining collateral for exposures above certain predetermined limits. Management closely monitors credit conditions within the client swap portfolio, which management deems to be of higher risk than dealer counterparties. Collateral is secured at origination and credit related fair value adjustments are recorded against the asset value of the derivative as deemed necessary based upon an analysis, which includes consideration of the current asset value of the swap, client risk rating, collateral value, and client standing with regards to its swap contractual obligations and other related matters. Such asset values fluctuate based upon changes in interest rates regardless of changes in notional amounts and changes in client specific risk.

#### *Collateral Requirements*

Certain derivative transactions have collateral requirements, both at the inception of the trade and as the value of each derivative position changes. As of March 31, 2024 and December 31, 2023, Synovus had recorded the right to reclaim cash collateral of \$46.9 million and \$69.7 million, respectively. As of both March 31, 2024 and December 31, 2023, Synovus had recorded the obligation to return cash collateral of \$5.7 million.

For derivatives cleared through central clearing houses, the variation margin payments made are legally characterized as settlements of the derivatives. As a result, these variation margin payments are netted against the fair value of the respective derivative contracts in the consolidated balance sheets and related disclosures.

The following table reflects the estimated fair value of derivative instruments included in other assets and other liabilities on the consolidated balance sheets along with their respective notional amounts on a gross basis.

| (in thousands)   | March 31, 2024           |                          |                           | December 31, 2023       |                          |                           |
|--|--------------------------|--------------------------|---------------------------|-------------------------|--------------------------|---------------------------|
|  | Notional<br>Amount       | Estimated Fair Value     |                           | Notional<br>Amount      | Estimated Fair Value     |                           |
|  |                          | Derivative<br>Assets     | Derivative<br>Liabilities |                         | Derivative<br>Assets     | Derivative<br>Liabilities |
| <b>Derivatives in cash flow hedging relationships:</b>                       |                          |                          |                           |                         |                          |                           |
| Interest rate contracts  | \$ 4,600,000             | \$ —                     | \$ 4,337                  | \$ 5,600,000            | \$ —                     | \$ 7,527                  |
| Total cash flow hedges   | <u><u>\$ —</u></u>       | <u><u>\$ 4,337</u></u>   | <u><u>\$ —</u></u>        | <u><u>\$ —</u></u>      | <u><u>\$ 7,527</u></u>   | <u><u>\$ —</u></u>        |
| <b>Derivatives in fair value hedging relationships:</b>                      |                          |                          |                           |                         |                          |                           |
| Interest rate contracts  | \$ 2,728,580             | \$ —                     | \$ 7,593                  | \$ 2,563,504            | \$ —                     | \$ 12,891                 |
| Total fair value hedges  | <u><u>\$ —</u></u>       | <u><u>\$ 7,593</u></u>   | <u><u>\$ —</u></u>        | <u><u>\$ —</u></u>      | <u><u>\$ 12,891</u></u>  | <u><u>\$ —</u></u>        |
| Total derivatives designated as hedging instruments                          | <u><u>\$ —</u></u>       | <u><u>\$ 11,930</u></u>  | <u><u>\$ —</u></u>        | <u><u>\$ —</u></u>      | <u><u>\$ 20,418</u></u>  | <u><u>\$ —</u></u>        |
| <b>Derivatives not designated as hedging instruments:</b>                    |                          |                          |                           |                         |                          |                           |
| Interest rate contracts  | \$ 12,377,962            | \$ 102,302               | \$ 274,055                | \$ 11,888,152           | \$ 94,208                | \$ 238,134                |
| Mortgage derivatives - interest rate lock commitments                        | 60,402                   | 1,095                    | —                         | 40,642                  | 695                      | —                         |
| Mortgage derivatives - forward commitments to sell fixed-rate mortgage loans | 82,519                   | —                        | 105                       | 60,906                  | —                        | 567                       |
| Risk participation agreements  | 781,904                  | —                        | 4                         | 732,682                 | —                        | 3                         |
| Foreign exchange contracts   | 64,043                   | 192                      | —                         | 41,603                  | —                        | 528                       |
| Visa derivative  | —                        | —                        | 439                       | —                       | —                        | 589                       |
| Total derivatives not designated as hedging instruments                      | <u><u>\$ 103,589</u></u> | <u><u>\$ 274,603</u></u> | <u><u>\$ —</u></u>        | <u><u>\$ 94,903</u></u> | <u><u>\$ 239,821</u></u> | <u><u>\$ —</u></u>        |

The following table presents the effect of hedging derivative instruments in the consolidated statements of income and the total amounts for the respective line item affected for the three months ended March 31, 2024 and 2023.

| (in thousands)   | Three Months Ended March 31, 2024 |             |                  |
|--|-----------------------------------|-------------|------------------|
|  | Interest Income                   |             | Interest Expense |
|  | Loans, including fees             | Deposits    | Long-term debt   |
| Total interest income/expense amounts presented in the consolidated statements of income | \$ 691,715                        | \$ 332,666  | \$ 29,595        |
| <b>Gain/(loss) on cash flow hedging relationships:<sup>(1)</sup></b>                     |                                   |             |                  |
| Interest rate contracts:   |                                   |             |                  |
| Realized gains (losses) reclassified from AOCI, pre-tax, to interest income on loans     | \$ (39,823)                       | \$ —        | \$ —             |
| Pre-tax income (loss) recognized on cash flow hedges                                     | \$ (39,823)                       | \$ —        | \$ —             |
| <b>Gain/(loss) on fair value hedging relationships:</b>                                  |                                   |             |                  |
| Amounts related to interest settlements and amortization on derivatives                  | \$ —                              | \$ (6,238)  | \$ (3,724)       |
| Recognized on derivatives  | \$ —                              | \$ (2,067)  | \$ (1,918)       |
| Recognized on hedged items   | \$ —                              | \$ 2,067    | \$ 1,918         |
| Pre-tax income (loss) recognized on fair value hedges                                    | \$ —                              | \$ (6,238)  | \$ (3,724)       |
| Three Months Ended March 31, 2023  |                                   |             |                  |
| (in thousands)   | Interest Income                   |             | Interest Expense |
|  | Loans, including fees             | Deposits    | Long-term debt   |
|  | \$ 629,557                        | \$ 173,935  | \$ 42,529        |
| <b>Gain/(loss) on cash flow hedging relationships:<sup>(1)</sup></b>                     |                                   |             |                  |
| Interest rate contracts:   |                                   |             |                  |
| Realized gains (losses) reclassified from AOCI, pre-tax, to interest income on loans     | \$ (39,892)                       | \$ —        | \$ —             |
| Pre-tax income (loss) recognized on cash flow hedges                                     | \$ (39,892)                       | \$ —        | \$ —             |
| <b>Gain/(loss) on fair value hedging relationships:</b>                                  |                                   |             |                  |
| Amounts related to interest settlements and amortization on derivatives                  | \$ —                              | \$ (3,371)  | \$ (2,721)       |
| Recognized on derivatives  | \$ —                              | \$ (12,057) | \$ (3,952)       |
| Recognized on hedged items   | \$ —                              | \$ 12,057   | \$ 3,952         |
| Pre-tax income (loss) recognized on fair value hedges                                    | \$ —                              | \$ (3,371)  | \$ (2,721)       |

<sup>(1)</sup> See Note 4 - Shareholders' Equity and Other Comprehensive Income (Loss) in this Report for gain (loss) recognized on cash flow hedging relationships in AOCI.

The following table presents the carrying amount and associated cumulative basis adjustment related to the application of hedge accounting that is included in the carrying amount of the hedged assets/(liabilities) in fair value hedging relationships.

| (in thousands)            | March 31, 2024                          |                                   |   | December 31, 2023                 |   |                                   |
|---------------------------|---|-----------------------------------|---|-----------------------------------|---|-----------------------------------|
|                           | Hedged Items Currently Designated       |                                   | Hedged Items No Longer Designated       | Hedged Items Currently Designated |   | Hedged Items No Longer Designated |
|                           | Carrying Amount of Assets/(Liabilities) | Hedge Accounting Basis Adjustment | Carrying Amount of Assets/(Liabilities) | Hedge Accounting Basis Adjustment | Carrying Amount of Assets/(Liabilities) | Hedge Accounting Basis Adjustment |
| Interest-bearing deposits | \$ (1,975,613)                          | \$ 17,583                         | \$ 866                                  | \$ (2,013,504)                    | \$ (8,711)                              | \$ 1,267                          |
| Long-term debt            | \$ (749,119)                            | \$ 15,280                         | \$ 9,042                                | \$ (546,872)                      | \$ (5,986)                              | \$ 9,638                          |

The pre-tax effect of changes in fair value from derivative instruments not designated as hedging instruments in the consolidated statements of income for the three months ended March 31, 2024 and 2023 is presented below.

| (in thousands) | <b>Derivatives not designated<br/>as hedging instruments:</b> | <b>Location in Consolidated<br/>Statements of Income</b> | <b>Gain (Loss) Recognized in Consolidated<br/>Statements of Income</b> |             |
|----------------|---|--|--|-------------|
|                |   |  | <b>Three Months Ended March 31,</b>                                    |             |
|                |   |  | <b>2024</b>  | <b>2023</b> |
|                |   | Capital markets income                                   | \$ (160)   | \$ 18       |
|                |   | Mortgage banking income                                  | 400  | 1,109       |
|                |   | Mortgage banking income                                  | 462  | (328)       |
|                |   | Capital markets income                                   | (1)  | 3           |
|                |   | Capital markets income                                   | 720  | 529         |
|                | Total derivatives not designated as hedging instruments       |  | \$ 1,421   | \$ 1,331    |

(1) Gain (loss) represents net fair value adjustments (including credit related adjustments) for client swaps.

#### Note 7 - Net Income Per Common Share

The following table displays a reconciliation of the information used in calculating basic and diluted net income per common share for the three months ended March 31, 2024 and 2023. Diluted net income per common share incorporates the potential impact of contingently issuable shares, including awards which require future service as a condition of delivery of the underlying common stock.

| (in thousands, except per share data)              | <b>Three Months Ended March 31,</b> |             |
|--|-------------------------------------|-------------|
|  | <b>2024</b>                         | <b>2023</b> |
| <b>Basic Net Income Per Common Share:</b>          |                                     |             |
| Net income available to common shareholders        | \$ 114,822                          | \$ 193,868  |
| Weighted average common shares outstanding         | 146,430                             | 145,799     |
| Net income per common share, basic                 | \$ 0.78                             | \$ 1.33     |
| <b>Diluted Net Income Per Common Share:</b>        |                                     |             |
| Net income available to common shareholders        | \$ 114,822                          | \$ 193,868  |
| Weighted average common shares outstanding         | 146,430                             | 145,799     |
| Effect of dilutive outstanding equity-based awards | 692                                 | 928         |
| Weighted average diluted common shares             | 147,122                             | 146,727     |
| Net income per common share, diluted               | \$ 0.78                             | \$ 1.32     |

For both the three months ended March 31, 2024 and 2023, there were 21 thousand potentially dilutive shares related to stock options to purchase shares of common stock that were outstanding. These potentially dilutive shares were not included in the computation of diluted net income per common share because the effect would be anti-dilutive.

#### Note 8 - Commitments and Contingencies

In the normal course of business, Synovus enters into commitments to extend credit such as loan commitments and letters of credit to meet the financing needs of its clients. Synovus uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. Commitments to extend credit are agreements to lend to a client as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Synovus also has commitments to fund certain tax credits, CRA partnerships, and other investments.

The contractual amount of these financial instruments represents Synovus' maximum credit risk should the counterparty draw upon the commitment, and should the counterparty subsequently fail to perform according to the terms of the contract. Since many of the commitments are expected to expire without being drawn upon, total commitment amounts do not

necessarily represent future cash requirements. Additionally, certain commitments (primarily consumer) can generally be canceled by providing notice to the borrower.

The ACL associated with unfunded commitments and letters of credit is recorded within other liabilities on the consolidated balance sheets. At March 31, 2024 and December 31, 2023, the ACL for unfunded commitments was \$53.6 million and \$57.2 million, respectively. Additionally, an immaterial amount of unearned fees relating to letters of credit are recorded within other liabilities on the consolidated balance sheets.

Synovus also invests in tax credit partnerships, CRA partnerships, including SBIC programs, and other investments. The SBIC is a program initiated by the SBA in 1958 to assist in the funding of small business loans.

| (in thousands)  | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|---|-----------------------|--------------------------|
| Letters of credit <sup>(1)</sup>  | \$ 176,324            | \$ 200,269               |
| Commitments to fund commercial and industrial loans   | 9,748,389             | 10,313,880               |
| Commitments to fund commercial real estate, construction, and land development loans        | 2,189,478             | 2,496,656                |
| Commitments under home equity lines of credit   | 2,128,208             | 2,135,120                |
| Unused credit card lines  | 456,177               | 453,303                  |
| Other loan commitments  | 636,373               | 654,396                  |
| Total letters of credit and unfunded lending commitments                                    | <b>\$ 15,334,949</b>  | <b>\$ 16,253,624</b>     |
| Tax credits, CRA partnerships, and other investments:                                       |                       |                          |
| Carrying amount included in other assets <sup>(2)</sup>                                     | \$ 571,976            | \$ 573,992               |
| Permanent and short-term construction loans and letter of credit commitments <sup>(3)</sup> | 160,723               | 205,659                  |
| Funded portion of permanent and short-term loans and letters of credit <sup>(4)</sup>       | <b>227,180</b>        | <b>211,921</b>           |

<sup>(1)</sup> Represents the contractual amount net of risk participations purchased of approximately \$18.4 million and \$22.8 million at March 31, 2024 and December 31, 2023, respectively.

<sup>(2)</sup> Future funding commitment amounts included in carrying amount within other liabilities of \$263.1 million and \$293.3 million at March 31, 2024 and December 31, 2023, respectively.

<sup>(3)</sup> Represents the contractual amount net of risk participations of \$7.1 million and \$9.7 million at March 31, 2024 and December 31, 2023, respectively.

<sup>(4)</sup> Represents the contractual amount net of risk participations of \$6.6 million and \$4.0 million at March 31, 2024 and December 31, 2023, respectively.

### *Merchant Services*

In accordance with credit and debit card association rules, Synovus provides merchant processing services for clients with a contractual arrangement under which certain sales and processing support are provided through an outside merchant services provider with Synovus owning the merchant contract relationship. In addition, Synovus sponsors various third-party MPS businesses that process credit and debit card transactions on behalf of merchants. In connection with these services, a liability may arise in the event of a billing dispute between the merchant and a cardholder that is ultimately resolved in the cardholder's favor. If the merchant defaults on its obligations, the cardholder, through its issuing bank, generally has until six months after the date of the transaction to present a chargeback to the MPS, which is primarily liable for any losses on covered transactions. However, if a sponsored MPS fails to meet its obligations, then Synovus, as the sponsor, could be held liable for the disputed amount. Synovus seeks to mitigate this risk through its contractual arrangements with the MPS and the merchants by withholding future settlements, retaining cash reserve accounts and/or obtaining other security. For the three months ended March 31, 2024 and 2023, Synovus and the sponsored entities processed and settled \$27.89 billion and \$30.12 billion of transactions, respectively.

### *Legal Proceedings*

Synovus and its subsidiaries are subject to various legal proceedings, claims, and disputes that arise in the ordinary course of its business. Additionally, in the ordinary course of business, Synovus and its subsidiaries are subject to regulatory and governmental examinations, information gathering requests, inquiries, and investigations. Synovus, like many other financial institutions, has been the target of legal actions and other proceedings asserting claims for damages and related relief for losses. These actions include, but are not limited to, mortgage loan and other loan put-back claims, claims and counterclaims asserted by individual borrowers related to their loans, allegations of violations of state and federal laws, and regulations relating to banking practices, including putative class action matters. In addition to actual damages, if Synovus does not prevail in such asserted legal actions, 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 were to occur.

At least quarterly, Synovus carefully examines and considers each legal matter using then available information, and, in those situations where Synovus determines that a particular legal matter presents loss contingencies that are both probable and reasonably estimable, Synovus establishes an appropriate reserve. An event is considered to be probable if the future event is



likely to occur. In the absence of a determination that a loss contingency is both probable and reasonably estimable, no accrual is made. Once established, accruals are adjusted to reflect developments related to these matters. While the final outcome of any legal proceeding is inherently uncertain, based on the information currently available, advice of counsel, and available insurance coverage, management believes that the amounts accrued with respect to legal matters as of March 31, 2024 are adequate.

In addition, where Synovus determines that there is a reasonable possibility of a loss in respect of legal matters, Synovus considers whether it is able to estimate the total reasonably possible loss or range of loss. Under GAAP, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely," and an event is "remote" if the "chance of the future event or events occurring is slight." In many situations, Synovus may be unable to estimate reasonably possible losses due to the difficulty of predicting outcome of legal matters and the preliminary nature of the legal matters, as well as a variety of other factors and uncertainties. Those matters for which a meaningful estimate is not possible are not included within this estimated range and, therefore, this range does not represent our maximum loss exposure. For those legal matters where Synovus is able to estimate a range of reasonably possible losses, management currently estimates the aggregate range from our outstanding litigation is from zero to \$10 million in excess of the amounts accrued, if any, related to those matters. This estimated aggregate range is based upon information currently available to Synovus, and the actual losses could prove to be lower or higher. As there are further developments in these legal matters, Synovus will reassess these matters, and the estimated range of reasonably possible losses may change as a result of this assessment. Based on Synovus' 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, results of operations, or cash flows. However, in light of the significant uncertainties involved and the large or indeterminate damages sought in some of these matters, it is possible that the ultimate resolution of these legal matters could have a material adverse effect on Synovus' results of operations or financial condition for any particular period.

Any estimate or determination relating to the future resolution of litigation, regulatory or governmental examinations, information gathering requests, inquiries, investigations, or similar matters is inherently uncertain and involves significant judgment. This is particularly true in the early stages of a legal matter, when legal issues and facts have not been well articulated, reviewed, analyzed, and vetted through discovery, preparation for trial or hearings, substantive and productive mediation or settlement discussions, or other actions. It is also particularly true with respect to class action and similar claims involving multiple defendants, matters with complex procedural requirements or substantive issues or novel legal theories, and examinations, investigations, and other actions conducted or brought by regulatory and governmental agencies, in which the normal adjudicative process is not applicable. Accordingly, we usually are unable to determine whether a favorable or unfavorable outcome is remote, reasonably likely, or probable, or to estimate the amount or range of a probable or reasonably likely loss, until relatively late in the course of a legal matter, sometimes not until a number of years have elapsed. Accordingly, our judgments and estimates relating to claims will change from time to time in light of developments, and actual outcomes will differ from our estimates. These differences may be material.

Synovus intends to vigorously pursue all available defenses to these legal matters but will also consider other alternatives, including settlement, in situations where there is an opportunity to resolve such legal matters on terms that Synovus considers to be favorable, including in light of the continued expense and distraction of defending such legal matters. Synovus maintains insurance coverage, which may be available to cover legal fees, or potential losses that might be incurred in connection with such legal matters. The above-noted estimated range of reasonably possible losses does not take into consideration insurance coverage which may or may not be available for the respective legal matters.

#### Note 9 - Segment Reporting

Synovus' business segments are based on the products and services provided or the clients served and reflect the manner in which financial information is evaluated by the chief operating decision maker. Synovus has four major reportable business segments: Wholesale Banking, Community Banking, Consumer Banking, and Financial Management Services. The management accounting policies and processes utilized in compiling segment financial information are highly subjective and, unlike financial accounting, are not based on authoritative guidance similar to GAAP. As a result, reported segment results are not necessarily comparable with similar information reported by other financial institutions.

The Wholesale Banking business segment serves primarily larger corporate and governmental clients by providing commercial lending, deposit, and capital markets services through specialty teams including middle market, CRE, senior housing, premium finance, structured lending, asset-based lending, public finance, restaurant services, community investment capital, and capital markets.

The Community Banking business segment primarily serves small and medium-sized commercial clients as well as individual private wealth clients using a relationship-based approach. The commercial component of this segment focuses on locally owned and operated businesses. Private wealth services are delivered to the individuals operating the businesses as well



as other individuals in the communities in which Community Banking operates. A comprehensive set of banking products are offered to the client set, including a full suite of lending, payments, and depository products as well as financial planning services.

The Consumer Banking business segment serves individual and small business clients through its branch and ATM network, in addition to digital and telephone channels. This segment provides individuals and small businesses with an array of comprehensive banking products and services, including depository accounts, credit and debit cards, payment solutions, goal-based planning, home equity and other consumer loans, and small business lending solutions.

The Financial Management Services business segment serves its clients by providing mortgage, trust services, professional portfolio management for fixed-income securities, securities underwriting and distribution, the execution of securities transactions as a broker/dealer, asset management, financial planning, and family office services, as well as the provision of individual investment advice on equity and other securities.

Functional activities such as treasury, technology, operations, marketing, finance, enterprise risk, legal, human resources, corporate communications, executive management, among others, are included in Treasury and Corporate Other. In addition, certain assets, liabilities, revenue, and expense not allocated or attributable to a particular business segment, such as Synovus' third-party consumer loans and loans held for sale, as well as CIB, are included in Treasury and Corporate Other.

Synovus uses a centralized FTP methodology to attribute appropriate net interest income to the business segments. The intent of the FTP methodology is to transfer interest rate risk from the business segments by providing matched duration funding of assets and liabilities. The result is to centralize the financial impact, management, and reporting of interest rate risk in the Treasury and Corporate Other function, where it can be centrally monitored and managed. Treasury and Corporate Other charges (credits) an internal cost of funds for assets held in (or pays for funding provided by) each business segment. The process for determining FTP is based on a number of factors and assumptions, including prevailing market interest rates, the expected lives of various assets and liabilities, and the Company's broader funding profile.

The following tables present certain financial information for each reportable business segment for the three months ended March 31, 2024 and 2023. The application and development of management reporting methodologies is a dynamic process and is subject to periodic enhancements. As these enhancements are made, financial results presented by each reportable business segment may be periodically revised. Loan and deposit transfers occur from time to time between reportable business segments primarily to maintain the migration of clients and relationship managers between segments; however, prior period loan and deposit balances and any related net interest income and FTP are not adjusted for transfers.

| Three Months Ended March 31, 2024 |                   |                   |                   |                               |                              |                      |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------------------|------------------------------|----------------------|
| (in thousands)                    | Wholesale Banking | Community Banking | Consumer Banking  | Financial Management Services | Treasury and Corporate Other | Synovus Consolidated |
| Net interest income               | \$ 183,666        | \$ 99,023         | \$ 138,627        | \$ 23,220                     | \$ (25,690)                  | \$ 418,846           |
| Non-interest revenue              | 11,325            | 16,679            | 17,947            | 46,870                        | 26,067                       | 118,888              |
| Non-interest expense              | 34,729            | 40,815            | 52,358            | 39,948                        | 154,891                      | 322,741              |
| Pre-provision net revenue (PPNR)  | <u>\$ 160,262</u> | <u>\$ 74,887</u>  | <u>\$ 104,216</u> | <u>\$ 30,142</u>              | <u>\$ (154,514)</u>          | <u>\$ 214,993</u>    |

  

| Three Months Ended March 31, 2023 |                   |                   |                   |                               |                              |                      |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------------------|------------------------------|----------------------|
| (in thousands)                    | Wholesale Banking | Community Banking | Consumer Banking  | Financial Management Services | Treasury and Corporate Other | Synovus Consolidated |
| Net interest income               | \$ 199,100        | \$ 111,405        | \$ 154,631        | \$ 16,547                     | \$ (932)                     | \$ 480,751           |
| Non-interest revenue              | 15,900            | 25,540            | 20,728            | 53,206                        | 17,752                       | 133,126              |
| Non-interest expense              | 33,848            | 33,382            | 49,267            | 44,046                        | 161,309                      | 321,852              |
| Pre-provision net revenue (PPNR)  | <u>\$ 181,152</u> | <u>\$ 103,563</u> | <u>\$ 126,092</u> | <u>\$ 25,707</u>              | <u>\$ (144,489)</u>          | <u>\$ 292,025</u>    |

|                                       | <b>March 31, 2024</b>    |                          |                         |                                      |                                     |                             |
|---------------------------------------|--------------------------|--------------------------|-------------------------|--------------------------------------|-------------------------------------|-----------------------------|
| (dollars in thousands)                | <b>Wholesale Banking</b> | <b>Community Banking</b> | <b>Consumer Banking</b> | <b>Financial Management Services</b> | <b>Treasury and Corporate Other</b> | <b>Synovus Consolidated</b> |
| Loans, net of deferred fees and costs | \$ 25,483,782            | \$ 7,938,581             | \$ 2,781,016            | \$ 5,349,128                         | \$ 1,757,370                        | \$ 43,309,877               |
| Total deposits                        | \$ 13,196,663            | \$ 10,565,568            | \$ 18,921,093           | \$ 1,633,914                         | \$ 6,263,004                        | \$ 50,580,242               |
| Total full-time equivalent employees  | 331                      | 563                      | 1,510                   | 573                                  | 1,755                               | 4,732                       |

  

|                                       | <b>December 31, 2023</b> |                          |                         |                                      |                                     |                             |
|---------------------------------------|--------------------------|--------------------------|-------------------------|--------------------------------------|-------------------------------------|-----------------------------|
| (dollars in thousands)                | <b>Wholesale Banking</b> | <b>Community Banking</b> | <b>Consumer Banking</b> | <b>Financial Management Services</b> | <b>Treasury and Corporate Other</b> | <b>Synovus Consolidated</b> |
| Loans, net of deferred fees and costs | \$ 25,506,870            | \$ 7,966,794             | \$ 2,825,411            | \$ 5,374,280                         | \$ 1,731,135                        | \$ 43,404,490               |
| Total deposits                        | \$ 13,847,833            | \$ 10,198,357            | \$ 18,698,298           | \$ 1,488,090                         | \$ 6,506,607                        | \$ 50,739,185               |
| Total full-time equivalent employees  | 334                      | 576                      | 1,522                   | 604                                  | 1,762                               | 4,798                       |

#### Note 10 - Subsequent Event

On April 1, 2024, Synovus transferred \$3.42 billion of mortgage-backed securities from available for sale to held to maturity, and AOCI included a pre-tax unrealized loss of \$708.5 million on the investment securities at the date of the transfer. Transfers of investment securities from AFS to HTM are non-cash transactions and are recorded at fair value. Unrealized losses at the date of transfer of these investment securities continue to be reported in AOCI and are amortized into interest income on a level-yield basis over the remaining life of the investment securities. This amortization will offset the effect on interest income of the amortization of the discount resulting from the transfer recorded at fair value.

## **ITEM 2. – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

In this Report, the words “Synovus,” “the Company,” “we,” “us,” and “our” refer to Synovus Financial Corp. together with Synovus Bank and Synovus' other wholly-owned subsidiaries, except where the context requires otherwise.

### **FORWARD-LOOKING STATEMENTS**

Certain statements made or incorporated by reference in this Report which are not statements of historical fact, including those under “Management's Discussion and Analysis of Financial Condition and Results of Operations,” and elsewhere in this Report, 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. Forward-looking statements include statements with respect to Synovus' beliefs, plans, objectives, goals, targets, expectations, anticipations, assumptions, estimates, intentions and future performance and involve known and unknown risks, many of which are beyond Synovus' control and which may cause Synovus' actual results, performance or achievements or the financial services industry or economy generally, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

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. These factors include, but are not limited to:

- (1) competition in the financial services industry, including competition from nontraditional banking institutions such as Fintechs;
- (2) our ability to realize the expected benefits from our strategic initiatives or other operational and execution goals in the time period expected, which could negatively affect our future profitability;
- (3) an economic downturn and contraction, including a recession, and the resulting effects on our capital, financial condition, credit quality, results of operations and future growth, including that the strength of the current economic environment could be further weakened by prolonged periods of inflation and interest rate fluctuations;
- (4) changes in the cost and availability of funding due to changes in the deposit market and credit market;
- (5) restrictions or limitations on access to funds from historical and alternative sources of liquidity could adversely affect our overall liquidity, which could restrict our ability to make payments on our obligations and our ability to support asset growth and sustain our operations and the operations of Synovus Bank;
- (6) the impacts of recent adverse developments in the banking industry, highlighted by high-profile bank failures, on client confidence, liquidity, and regulatory responses to these developments (including increases in the cost of our deposit insurance assessments and increased regulatory scrutiny), our ability to effectively manage our liquidity risk and any growth plans, and the availability of capital and funding;
- (7) our ability to attract and retain employees and the impact of senior leadership transitions that are key to our strategic initiatives;
- (8) our strategic implementation of new lines of business, new products and services, and new technologies and the expansion of our existing business opportunities with a renewed focus on innovation;
- (9) prolonged periods of high inflation and their effects on our business, profitability, and our stock price as well as the impact on our clients (including the velocity and levels of deposit withdrawals and loan repayment);
- (10) changes in the interest rate environment, including changes to the federal funds rate, and competition in our primary market area may result in increased funding costs or reduced earning assets yields, thus reducing margins and net interest income;
- (11) the impact of recent, proposed, and potential changes in governmental policy, laws, and regulations, potential, proposed, and recently enacted changes in monetary policy and in the regulation and taxation of banks and financial institutions, or the interpretation or application thereof and the uncertainty of future implementation and enforcement of these regulations, including inflationary pressures and potential interest rate fluctuations;
- (12) we may be required to make substantial expenditures to keep pace with regulatory initiatives and the rapid technological changes in the financial services industry;
- (13) our current and future information technology system enhancements and operational initiatives may not be successfully implemented, which could negatively impact our operations;

- (14) our business relationships with, and reliance upon, third parties that have strategic partnerships with us or that provide key components of our business infrastructure, including the costs of services and products provided to us by third parties, and disruptions in service or financial difficulties with a third-party vendor or business relationship;
- (15) our enterprise risk management framework, our compliance program, or our corporate governance and supervisory oversight functions may not identify or address risks adequately, which may result in unexpected losses;
- (16) our asset quality may deteriorate or that our allowance for credit losses may prove to be inadequate or may be negatively affected by credit risk exposures;
- (17) the ability of our operational framework to identify and manage risks associated with our business, such as credit risk, compliance risk, reputational risk, and operational risk, including by virtue of our relationships with third-party business partners, as well as our relationships with third-party vendors and other service providers;
- (18) we may be exposed to potential losses in the event of fraud and/or theft, or in the event that a third-party vendor, obligor, or business partner fails to pay amounts due to us under that relationship or under any arrangement that we enter into with them;
- (19) if economic conditions worsen or regulatory capital rules are modified, we may be required to undertake initiatives to improve or conserve our capital position;
- (20) our ability to identify and address cyber-security risks (including those impacting our vendors and other third parties) such as data security breaches, malware, "denial of service" attacks, "hacking", and identity theft, a failure of which could disrupt our business and result in the disclosure of and/or misuse or misappropriation of confidential or proprietary information, disruption, or damage of our systems, increased costs, significant losses, or adverse effects to our reputation;
- (21) the impact on our financial results, reputation, and business if we are unable to comply with all applicable federal and state regulations or other supervisory actions or directives and any necessary capital initiatives;
- (22) our ability to receive dividends from our subsidiaries could affect our liquidity, including our ability to pay dividends or take other capital actions;
- (23) our ESG strategies and initiatives, the scope and pace of which could alter our reputation and shareholder, employee, client, and third-party relationships;
- (24) we could realize losses if we sell assets and the proceeds we receive are lower than the carrying value of such assets;
- (25) our ability to obtain regulatory approval to take certain actions, including any dividends on our common or preferred stock, any repurchases of common or preferred stock, or any other issuance or redemption of any other regulatory capital instruments, as well as any applications in respect to strategic initiatives;
- (26) we may not be able to identify suitable bank and non-bank acquisition opportunities as part of our growth strategy and even if we are able to identify attractive acquisition opportunities, we may not be able to complete such transactions on favorable terms or realize the anticipated benefits from such acquisitions;
- (27) our concentrated operations in the Southeastern U.S. make us vulnerable to local economic conditions, local weather catastrophes, public health issues, and other external events;
- (28) the costs and effects of litigation, investigations, or similar matters, or adverse facts and developments related thereto;
- (29) the fluctuation in our stock price and general volatility in the stock market;
- (30) the effects of any damages to our reputation resulting from developments related to any of the items identified above; and
- (31) other factors and other information contained in this Report and in other reports and filings that we make with the SEC under the Exchange Act, including, without limitation, those found in "Part II - Item 1A. Risk Factors" of this Report.

For a discussion of these and other risks that may cause actual results to differ from expectations, refer to "Part I - Item 1A. Risk Factors" and other information contained in Synovus' 2023 Form 10-K and our other periodic filings, including quarterly reports on Form 10-Q and current reports on Form 8-K, that we file from time to time with the SEC. 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.

## INTRODUCTION AND CORPORATE PROFILE

Synovus Financial Corp. is a financial services company and a registered bank holding company headquartered in Columbus, Georgia. Through its wholly-owned subsidiary, Synovus Bank, a Georgia state-chartered bank that is a member of the Federal Reserve System, the Company provides commercial and consumer banking in addition to a full suite of specialized products and services, including private banking, treasury management, wealth management, mortgage services, premium

finance, asset-based lending, structured lending, capital markets, and international banking. Synovus also provides financial planning and investment advisory services through its wholly-owned subsidiaries, Synovus Trust and Synovus Securities.

Synovus Bank is positioned in some of the highest growth markets in the Southeast, with 246 branches and 357 ATMs in Alabama, Florida, Georgia, South Carolina, and Tennessee.

The following financial review summarizes the significant trends, changes in our business, transactions, and other matters affecting Synovus' results of operations for the three months ended March 31, 2024 compared to the same period in 2023 and financial condition as of March 31, 2024 compared to December 31, 2023. This discussion supplements, and should be read in conjunction with, the unaudited interim consolidated financial statements and notes thereto contained elsewhere in this Report and the consolidated financial statements of Synovus, the notes thereto, and management's discussion and analysis contained in Synovus' 2023 Form 10-K.

Management's Discussion and Analysis of Financial Condition and Results of Operations consists of:

- Discussion of Results of Operations - Reviews Synovus' financial performance, as well as selected balance sheet items, items from the statements of income, significant transactions, and certain key ratios that illustrate Synovus' performance.
- Credit Quality, Capital Resources and Liquidity - Discusses credit quality, market risk, capital resources, and liquidity, as well as performance trends. It also includes a discussion of liquidity policies, how Synovus obtains funding, and related performance.
- Additional Disclosures - Discusses additional important matters, including critical accounting policies and non-GAAP financial measures.

A reading of each section is important to fully understand our financial performance.

## DISCUSSION OF RESULTS OF OPERATIONS

**Table 1 - Consolidated Financial Highlights**

| (dollars in thousands, except per share data)      | Three Months Ended March 31, |            |          |
|--|------------------------------|------------|----------|
|  | 2024                         | 2023       | Change   |
| Net interest income                                | \$ 418,846                   | \$ 480,751 | (13) %   |
| Provision for (reversal of) credit losses          | 53,980                       | 32,154     | 68       |
| Non-interest revenue                               | 118,888                      | 133,126    | (11)     |
| Total revenue                                      | 537,734                      | 613,877    | (12)     |
| Non-interest expense                               | 322,741                      | 321,852    | —        |
| Income before income taxes                         | 161,013                      | 259,871    | (38)     |
| Net income attributable to Synovus Financial Corp. | 124,507                      | 202,159    | (38)     |
| Net income available to common shareholders        | 114,822                      | 193,868    | (41)     |
| Net income per common share, basic                 | 0.78                         | 1.33       | (41)     |
| Net income per common share, diluted               | 0.78                         | 1.32       | (41)     |
| Net interest margin <sup>(1)</sup>                 | 3.04                         | 3.43       | (39) bps |
| Net charge-off ratio <sup>(1)</sup>                | 0.41                         | 0.17       | 24       |
| Return on average assets <sup>(1)</sup>            | 0.85                         | 1.36       | (51)     |
| Return on average common equity <sup>(1)</sup>     | 10.2                         | 19.2       | (900)    |
| Efficiency ratio-TE                                | 59.87                        | 52.33      | 754      |

<sup>(1)</sup> Annualized

| (dollars in thousands)   | March 31, 2024 | December 31, 2023 | Sequential Quarter Change | March 31, 2023 | Year-Over-Year Change |
|--|----------------|-------------------|---------------------------|----------------|-----------------------|
| Loans, net of deferred fees and costs                                    | \$ 43,309,877  | \$ 43,404,490     | \$ (94,613)               | \$ 44,044,939  | \$ (735,062)          |
| Total average loans  | 43,377,902     | 43,597,400        | (219,498)                 | 43,793,440     | (415,538)             |
| Total deposits   | 50,580,242     | 50,739,185        | (158,943)                 | 49,953,936     | 626,306               |
| Core deposits (excludes brokered deposits)                               | 44,861,313     | 44,696,186        | 165,127                   | 43,705,682     | 1,155,631             |
| Total average deposits   | 50,185,777     | 50,586,540        | (400,763)                 | 49,025,871     | 1,159,906             |
| Non-performing assets ratio  | 0.86 %         | 0.66 %            | 20 bps                    | 0.41 %         | 45 bps                |
| Non-performing loans ratio   | 0.81           | 0.66              | 15                        | 0.41           | 40                    |
| Past due loans over 90 days (as a % of loans)                            | 0.01           | 0.01              | —                         | 0.01           | —                     |
| ACL to loans coverage ratio  | 1.26           | 1.24              | 2                         | 1.17           | 9                     |
| CET1 capital ratio   | 10.38          | 10.22             | 16                        | 9.77           | 61                    |
| Tier 1 capital ratio   | 11.45          | 11.28             | 17                        | 10.81          | 64                    |
| Total risk-based capital ratio   | 13.32          | 13.07             | 25                        | 12.72          | 60                    |
| Total Synovus Financial Corp. shareholders' equity to total assets ratio | 8.39           | 8.56              | (17)                      | 7.71           | 68                    |

### Economic Environment and Recent Events

Many of the key economic drivers of 2023 – inflation, economic uncertainty, geopolitical pressures, and changes in monetary policy, among others – remain relevant in 2024.

Inflation remains a key economic concern, evidenced by the Federal Reserve tightening monetary policy by raising market interest rates by 100 bps in 2023. Future actions by the Federal Reserve are uncertain as FOMC policy rate decisions are highly dependent on the level of inflation and strength of the labor market. The specific timing of interest rate cuts is paramount as higher rates continue to pressure asset valuations and make potential refinancing more problematic.

Outside of inflation, the economic uncertainty and market disruptions of 2023 remain in 2024, including geopolitical tensions from conflict in the Middle East, Russia's prolonged war in Ukraine, and the strained relationship between the U.S. and China. Moreover, 2024 is an election year, and there are specific risks and uncertainties related to the election and any change in administration that could impact the economy and fiscal and regulatory policy by varying degrees. Multiple mixed



signals make navigating the way ahead difficult as evidenced by the volatility in capital markets, variance in interpretation of the Fed's messaging, and wide ranges of multiple economic outlooks.

U.S. fiscal policy has been expansionary in recent years, leaving a significant federal deficit which will most likely continue to grow, exacerbated in the near term by the election cycle. The Inflation Reduction Act, signed into law in August 2022, raised federal revenue by imposing an alternative corporate minimum tax if certain thresholds are met and a non-deductible excise tax on corporate share repurchases.

The bank failures in March and May of 2023 and the subsequent response by both the banking industry and the Federal Reserve served to mitigate the risks of such failures becoming more systemic. However, the residual impacts on the banking industry and the broader economic environment remain and have generally presented a more challenging outlook for the banking industry and for Synovus. These bank failures resulted in FDIC special assessment expenses, increased regulatory scrutiny, expectations for future regulatory changes, and continued pressure on deposits and liquidity.

Despite the headwinds discussed above, we believe our presence in strong Southeastern U.S. growth markets positions Synovus to execute on our 2024 updated fundamental guidance outlined below by making prudent decisions around business mix, balance sheet optimization, and operating expenses, all of which will support enhanced financial performance and a return to growth as we proceed through 2024.

## Executive Summary

Net income available to common shareholders for the first quarter of 2024 was \$114.8 million, or \$0.78 per diluted common share, compared to \$193.9 million, or \$1.32 per diluted common share, for the first quarter of 2023.

The year-over-year change was primarily impacted by lower net interest income from continued increases in funding costs and negative deposit remixing, in addition to lower non-interest revenue as the prior year was favorably impacted by a \$13.1 million one-time benefit from the recovery of a non-performing asset related to the regulatory approval of our Qualpay investment. Provision for credit losses was also higher compared to the same period in 2023, driven by increased net charge-offs and downward risk migration, partially offset by improved economic forecasts.

Net interest income for the three months ended March 31, 2024 was \$418.8 million, down \$61.9 million, or 13%, compared to the same period in 2023. Net interest margin for the first quarter of 2024 was down 39 bps over the comparable three-month period in 2023 to 3.04% as the benefits of our asset sensitive balance sheet were offset by continued increases in funding costs and negative deposit remixing. Net interest margin was down 7 bps on a linked quarter basis, as the asset side of our balance sheet continued to benefit from higher rates, but the impact from higher deposit pricing combined with negative deposit remixing resulted in margin compression.

Non-interest revenue for the first quarter of 2024 was \$118.9 million, down \$14.2 million, or 11%, compared to the same period in 2023, as the prior year was favorably impacted by a \$13.1 million one-time benefit from the recovery of a non-performing asset related to the regulatory approval of our Qualpay investment.

Non-interest expense for the first quarter of 2024 was \$322.7 million, up \$889 thousand compared to the same period in 2023, and included a \$12.8 million additional accrual for the FDIC special assessment and continued technology investments. The comparable period in 2023 was negatively impacted by a \$16.8 million loss associated with \$424.1 million of third-party consumer loans moved to held for sale.

At March 31, 2024, loans, net of deferred fees and costs, of \$43.31 billion, decreased \$94.6 million, from December 31, 2023. Growth in C&I loans was in key strategic business lines, even as we continue to focus on strategically reducing non-relationship loans. CRE loans declined largely due to increased transactions from client property sales and refinancings. The decrease in consumer loans resulted primarily from the continued strategic runoff of the third-party lending portfolio.

Credit metrics continue to migrate from historically low levels with NPAs and NPLs at 86 bps and 81 bps, respectively, and total past due loans at 13 bps as a percentage of total loans at March 31, 2024. Net charge-offs for the first quarter of 2024 were \$44.4 million, or 41 bps annualized, and were impacted by one large C&I loan relationship that accounted for \$18.0 million of net charge-offs. The ACL at March 31, 2024 totaled \$546.2 million, an increase of \$9.6 million from December 31, 2023, and the ACL to loans coverage ratio at March 31, 2024 of 1.26% increased 2 bps compared to December 31, 2023.

Total period-end deposits at March 31, 2024 decreased \$158.9 million compared to December 31, 2023, as a \$324.1 million decline in brokered deposits, resulting from continued proactive management of our balance sheet position, was somewhat offset by a \$165.1 million increase in core deposits. The growth in core deposits was primarily due to continued client demand for time deposits partially offset by a decline in non-interest-bearing demand deposits and seasonality. Average deposit costs of 2.67%, which equate to a cycle-to-date total deposit beta of 49% through the first quarter of 2024, increased 17 bps and 123 bps, from the prior quarter and prior year comparable period, respectively, primarily due to the aforementioned continued client demand for time deposits along with remixing of non-interest-bearing demand deposits.



At March 31, 2024, Synovus' CET1 ratio of 10.38% improved 16 bps and 61 bps compared to December 31, 2023 and March 31, 2023, respectively, as our organic earnings continue to support capital accretion.

More detail on Synovus' financial results for the three months ended March 31, 2024 may be found in subsequent sections of "Item 2. – Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Report. See also "Part 1 – Item 1A. – Risk Factors" of Synovus' 2023 Form 10-K.

## 2024 Updated Fundamental Guidance

Updated fundamental guidance for 2024, compared to 2023, is based on our current forecast, which incorporates our strategic objectives and assumes stable economic conditions:

- end of period loan growth of 0% to 3%
- end of period core deposit<sup>(1)</sup> growth of 2% to 6%
- adjusted revenue (decline) growth<sup>(2)(3)</sup> of (3)% to 1% (low-end)
- adjusted non-interest expense<sup>(2)(3)(4)</sup> (decline) growth (relatively flat excluding FDIC special assessment)
- CET1 ratio of 10.0% to 10.5% (high-end)
- effective income tax rate of 21% to 22% (high-end)

<sup>(1)</sup> Excludes brokered deposits.

<sup>(2)</sup> See "Table 13 - Reconciliation of Non-GAAP Financial Measures" of this Report for applicable reconciliation to the most comparable GAAP measure.

<sup>(3)</sup> Guidance based on 2023 baseline: adjusted revenue baseline of \$2.28 billion and adjusted non-interest expense of \$1.26 billion. Excluding the FDIC special assessment, the amount is \$1.21 billion.

<sup>(4)</sup> Recorded accruals for \$12.8 million and \$51.0 million during the first quarter of 2024 and the fourth quarter of 2023, respectively, related to the FDIC special assessment.

## Changes in Financial Condition

During the three months ended March 31, 2024, total assets increased \$25.6 million compared to December 31, 2023 to \$59.84 billion. Total loans decreased \$94.6 million compared to December 31, 2023, as declines in CRE and consumer loans were partially offset by growth in C&I loans. Deposits decreased \$158.9 million compared to December 31, 2023, as a \$324.1 million decline in brokered deposits, resulting from continued proactive management of our balance sheet position, was somewhat offset by a \$165.1 million increase in core deposits. The loan to deposit ratio was 85.6% at March 31, 2024 as compared to 85.5% at December 31, 2023. Long-term debt has increased \$99.2 million from December 31, 2023, driven by \$100.0 million higher long-term FHLB advances while other short-term borrowings also increased \$249.0 million, primarily as a result of \$250.0 million of short-term FHLB advances.

Total Synovus Financial Corp. shareholders' equity at March 31, 2024 decreased \$102.1 million compared to December 31, 2023, driven by growth in retained earnings, which included net income attributable to Synovus Financial Corp. of \$124.5 million mostly offset by common and preferred stock dividends of \$55.6 million and \$9.7 million, respectively, as well as an increase in after-tax net unrealized losses on investment securities available for sale of \$118.1 million and 800 thousand shares of common stock repurchases at an average price of \$37.36 per share.

## Loans

The following table compares the composition of the loan portfolio at March 31, 2024, December 31, 2023, and March 31, 2023.

**Table 2 - Loans by Portfolio Class**

| (dollars in thousands)                 | March 31, 2024 |                   | December 31, 2023 |                   | Change      | March 31, 2023 |                   | March 31, 2024 vs.<br>March 31, 2023 Change |   |
|--|----------------|-------------------|-------------------|-------------------|-------------|----------------|-------------------|---|---|
|  | March 31, 2024 | December 31, 2023 | March 31, 2023    | December 31, 2023 |             | March 31, 2023 | December 31, 2023 | March 31, 2024 vs.<br>March 31, 2023 Change | March 31, 2024 vs.<br>March 31, 2023 Change |
| Commercial, financial and agricultural | \$ 14,616,902  | 33.8 %            | \$ 14,459,345     | 33.3 %            | \$ 157,557  | 1 %            | \$ 14,201,398     | 32.2 %                                      | \$ 415,504 3 %                              |
| Owner-occupied                         | 8,114,394      | 18.7              | 8,139,148         | 18.7              | (24,754)    | —              | 8,398,778         | 19.1  | (284,384) (3)                               |
| Total commercial and industrial        | 22,731,296     | 52.5              | 22,598,493        | 52.0              | 132,803     | 1              | 22,600,176        | 51.3  | 131,120 1                                   |
| Investment properties                  | 11,310,881     | 26.1              | 11,363,304        | 26.2              | (52,423)    | —              | 11,976,830        | 27.2  | (665,949) (6)                               |
| 1-4 family properties                  | 580,138        | 1.4               | 598,502           | 1.4               | (18,364)    | (3)            | 596,650           | 1.3   | (16,512) (3)                                |
| Land and development                   | 303,000        | 0.7               | 354,952           | 0.8               | (51,952)    | (15)           | 423,275           | 1.0   | (120,275) (28)                              |
| Total commercial real estate           | 12,194,019     | 28.2              | 12,316,758        | 28.4              | (122,739)   | (1)            | 12,996,755        | 29.5  | (802,736) (6)                               |
| Consumer mortgages                     | 5,384,602      | 12.4              | 5,411,723         | 12.5              | (27,121)    | (1)            | 5,246,640         | 11.9  | 137,962 3                                   |
| Home equity                            | 1,804,348      | 4.2               | 1,807,399         | 4.2               | (3,051)     | —              | 1,757,250         | 4.0   | 47,098 3                                    |
| Credit cards                           | 180,663        | 0.4               | 194,141           | 0.4               | (13,478)    | (7)            | 184,595           | 0.4   | (3,932) (2)                                 |
| Other consumer loans                   | 1,014,949      | 2.3               | 1,075,976         | 2.5               | (61,027)    | (6)            | 1,259,523         | 2.9   | (244,574) (19)                              |
| Total consumer                         | 8,384,562      | 19.3              | 8,489,239         | 19.6              | (104,677)   | (1)            | 8,448,008         | 19.2  | (63,446) (1)                                |
| Loans, net of deferred fees and costs  | \$ 43,309,877  | 100.0 %           | \$ 43,404,490     | 100.0 %           | \$ (94,613) | — %            | \$ 44,044,939     | 100.0 %                                     | \$ (735,062) (2)%                           |

At March 31, 2024, loans, net of deferred fees and costs of \$43.31 billion, decreased \$94.6 million from December 31, 2023. Growth in C&I loans was in key strategic business lines, even as we continue to focus on strategically reducing non-relationship loans. CRE loans declined largely due to increased transactions from client property sales and refinancings. The decrease in consumer loans resulted primarily from the continued strategic runoff of the third-party lending portfolio.

C&I loans remain the largest component of our loan portfolio, representing 52.5% of total loans, while CRE and consumer loans represent 28.2% and 19.3%, respectively. Our portfolio composition is guided by our strategic growth plan, in conjunction with a comprehensive concentration management policy which sets limits for C&I, CRE, and consumer loan levels as well as sub-categories therein.

### Commercial Loans

Total commercial loans (which are comprised of C&I and CRE loans) at March 31, 2024 were \$34.93 billion, or 80.7% of the total loan portfolio, compared to \$34.92 billion, or 80.4%, at December 31, 2023.

### Commercial and Industrial Loans

The C&I loan portfolio represents the largest category of Synovus' loan portfolio and is primarily comprised of general middle market and commercial banking clients across a diverse set of industries as well as certain specialized lending verticals. The following table shows the composition of the C&I loan portfolio aggregated by NAICS code. In accordance with Synovus'



lending policy, each loan undergoes a detailed underwriting process, which incorporates uniform underwriting standards and oversight in proportion to the size and complexity of the lending relationship. As of both March 31, 2024 and December 31, 2023, 94.8% of Synovus' C&I loans are secured by real estate, business equipment, inventory, and other types of collateral. C&I loans at March 31, 2024 grew \$132.8 million, or 1%, from December 31, 2023, and resulted primarily from growth in key business lines, led by middle market, CIB, and specialty finance, partially offset by continued strategic decline from credit-only lending relationships.

**Table 3 - Commercial and Industrial Loans by Industry**

| (dollars in thousands)                                     | NAICS Code | March 31, 2024 |                  | December 31, 2023 |                  |
|--|------------|----------------|------------------|-------------------|------------------|
|  |            | Amount         | % <sup>(1)</sup> | Amount            | % <sup>(1)</sup> |
| Health care and social assistance                          | 62         | \$ 4,659,175   | 20.5 %           | \$ 4,742,370      | 21.0 %           |
| Finance and insurance                                      | 52         | 4,505,677      | 19.8             | 4,429,716         | 19.6             |
| Accommodation and food services                            | 72         | 1,500,104      | 6.6              | 1,455,283         | 6.4              |
| Manufacturing  | 31-33      | 1,370,852      | 6.0              | 1,369,012         | 6.1              |
| Lessors of real estate                                     | 5311       | 1,285,469      | 5.7              | 1,250,031         | 5.5              |
| Wholesale trade  | 42         | 1,164,505      | 5.1              | 1,129,905         | 5.0              |
| Retail trade   | 44-45      | 1,127,254      | 5.0              | 1,111,225         | 4.9              |
| Construction   | 23         | 1,037,680      | 4.6              | 1,041,783         | 4.6              |
| Professional, scientific, and technical services           | 54         | 918,877        | 4.0              | 890,119           | 3.9              |
| Transportation and warehousing                             | 48-49      | 913,365        | 4.0              | 937,368           | 4.2              |
| Other services   | 81         | 874,357        | 3.8              | 876,233           | 3.9              |
| Other industries   | (2)        | 867,616        | 3.9              | 836,338           | 3.7              |
| Real estate and rental and leasing other                   | 53         | 783,409        | 3.4              | 785,811           | 3.5              |
| Arts, entertainment, and recreation                        | 71         | 589,789        | 2.6              | 585,097           | 2.6              |
| Public administration                                      | 92         | 479,928        | 2.1              | 487,089           | 2.2              |
| Educational services                                       | 61         | 422,184        | 1.9              | 415,885           | 1.8              |
| Administration, support, waste management, and remediation | 56         | 231,055        | 1.0              | 255,228           | 1.1              |
| Total commercial and industrial loans                      |            | \$ 22,731,296  | 100.0 %          | \$ 22,598,493     | 100.0 %          |

<sup>(1)</sup> Loan balance in each category expressed as a percentage of total C&I loans.

<sup>(2)</sup> Comprised of NAICS industries that are less than 1% of total C&I loans at March 31, 2024.

At March 31, 2024, \$14.62 billion of C&I loans, or 33.8% of the total loan portfolio, represented loans originated for the purpose of financing commercial, financial and agricultural business activities. The primary source of repayment on these loans is revenue generated from products or services offered by the business or organization. The secondary source of repayment is the collateral, which consists primarily of equipment, inventory, accounts receivable, time deposits, cash surrender value of life insurance, and other business assets.

At March 31, 2024, \$8.11 billion of C&I loans, or 18.7% of the total loan portfolio, represented loans originated for the purpose of financing owner-occupied properties. The financing of owner-occupied facilities is considered a C&I loan even though there is improved real estate as collateral such as senior housing facilities. This treatment is a result of the credit decision process, which focuses on cash flow from operations of the business to repay the debt. The secondary source of repayment on these loans is the underlying real estate. These loans are predominantly secured by owner-occupied and other real estate and, to a lesser extent, other types of collateral.

#### *Commercial Real Estate Loans*

CRE loans consist primarily of income-producing investment properties loans. Additionally, CRE loans include 1-4 family properties loans as well as land and development loans. In accordance with our lending policy, each loan undergoes a detailed underwriting process which incorporates uniform underwriting standards and oversight relative to the type of property, as well as the size and complexity of the deal. Total CRE loans of \$12.19 billion decreased \$122.7 million, or 1%, from December 31, 2023, primarily due to elevated levels of transaction activity from client property sales and refinancings.

Investment properties loans consist of construction and mortgage loans for income-producing properties and are primarily made to finance multi-family properties, hotels, office buildings, shopping centers, warehouses and other commercial development properties. Total investment properties loans as of March 31, 2024 were \$11.31 billion, or 92.8% of the CRE loan portfolio, and decreased \$52.4 million from December 31, 2023.



The following table shows the principal categories of the investment properties loan portfolio at March 31, 2024 and December 31, 2023.

**Table 4 - Investment Properties Loan Portfolio**

| (dollars in thousands)            | March 31, 2024       |                  |                                       | December 31, 2023    |                  |                                       | Weighted Average LTV % <sup>(2)</sup> |
|-----------------------------------|----------------------|------------------|---------------------------------------|----------------------|------------------|---------------------------------------|---------------------------------------|
|                                   | Amount               | % <sup>(1)</sup> | Weighted Average LTV % <sup>(2)</sup> | Amount               | % <sup>(1)</sup> | Weighted Average LTV % <sup>(2)</sup> |                                       |
| Multi-Family                      | \$ 4,199,435         | 37.1 %           | 53.0 %                                | \$ 4,098,188         | 36.1 %           | 53.6 %                                |                                       |
| Hotels                            | 1,790,505            | 15.8             | 57.5                                  | 1,803,102            | 15.9             | 58.0                                  |                                       |
| Office Buildings                  | 1,852,208            | 16.4             | 57.0                                  | 1,891,587            | 16.6             | 58.1                                  |                                       |
| Shopping Centers                  | 1,302,754            | 11.5             | 56.2                                  | 1,319,049            | 11.6             | 55.0                                  |                                       |
| Warehouses                        | 871,662              | 7.7              | 53.6                                  | 854,475              | 7.5              | 54.3                                  |                                       |
| Other investment property         | 1,294,317            | 11.5             | 55.1                                  | 1,396,903            | 12.3             | 59.3                                  |                                       |
| Total investment properties loans | <b>\$ 11,310,881</b> | <b>100.0 %</b>   |                                       | <b>\$ 11,363,304</b> | <b>100.0 %</b>   |                                       |                                       |

<sup>(1)</sup> Loan balance in each category expressed as a percentage of total investment properties loans.

<sup>(2)</sup> LTV calculated by dividing most recent appraisal (typically at origination) on non-construction component of portfolio by the respective March 31, 2024 and December 31, 2023 commitment amount and senior lien.

#### 1-4 Family Properties Loans

1-4 family properties loans include construction loans to home builders and commercial mortgage loans related to 1-4 family rental properties and are almost always secured by the underlying property being financed by such loans. These properties are primarily located in the markets served by Synovus. At March 31, 2024, 1-4 family properties loans totaled \$580.1 million, or 4.8% of the CRE loan portfolio, and decreased slightly from December 31, 2023.

#### Land and Development Loans

Land and development loans include commercial and residential development as well as land acquisition loans and are secured by land held for future development, typically in excess of one year. Properties securing these loans are substantially within markets served by Synovus, and loan terms generally include personal guarantees from the principals. Loans in this portfolio are underwritten based on the LTV of the collateral and the capacity of the guarantor(s). Land and development loans of \$303.0 million at March 31, 2024 decreased \$52.0 million from December 31, 2023.

#### Consumer Loans

The consumer loan portfolio consists of a wide variety of loan products offered through Synovus' banking network, including first and second residential mortgages, home equity and consumer credit card loans, as well as both secured and unsecured loans from third-party lending. As of March 31, 2024, weighted-average FICO scores within the residential real estate portfolio based on committed balances were 782 for consumer mortgages and 795 for home equity, consistent with year-end 2023 scores.

Consumer loans at March 31, 2024 of \$8.38 billion decreased \$104.7 million, or 1%, compared to December 31, 2023. Mortgage loans decreased \$27.1 million from December 31, 2023 largely due to lower production as a result of continued elevated mortgage interest rates along with seasonality. Other consumer loans decreased \$61.0 million from December 31, 2023, primarily due to continued strategic runoff of the third-party lending portfolio.

## Deposits

Deposits provide the most significant funding source for interest earning assets. The following table shows the composition of period-end deposits as of the dates indicated. See Table 11 - Quarter-to-Date Net Interest Income and Rate/Volume Analysis in this Report for information on average deposits including average rates.

**Table 5 - Composition of Period-end Deposits**

| (dollars in thousands)                              | March 31, 2024 | % <sup>(1)</sup> | December 31, 2023 | % <sup>(1)</sup> | March 31, 2023 | % <sup>(1)</sup> |
|---|----------------|------------------|-------------------|------------------|----------------|------------------|
| Non-interest-bearing demand deposits <sup>(2)</sup> | \$ 11,515,372  | 22.8 %           | \$ 11,801,194     | 23.3 %           | \$ 13,827,552  | 27.7 %           |
| Interest-bearing demand deposits <sup>(2)</sup>     | 6,478,834      | 12.8             | 6,540,977         | 12.9             | 5,837,023      | 11.7             |
| Money market accounts <sup>(2)</sup>                | 10,712,716     | 21.2             | 10,819,709        | 21.3             | 11,779,951     | 23.6             |
| Savings deposits <sup>(2)</sup>                     | 1,045,084      | 2.0              | 1,062,619         | 2.1              | 1,312,671      | 2.6              |
| Public funds  | 7,270,407      | 14.4             | 7,349,505         | 14.5             | 6,888,182      | 13.8             |
| Time deposits <sup>(2)</sup>                        | 7,838,900      | 15.5             | 7,122,182         | 14.0             | 4,060,303      | 8.1              |
| Brokered deposits                                   | 5,718,929      | 11.3             | 6,042,999         | 11.9             | 6,248,254      | 12.5             |
| Total deposits                                      | \$ 50,580,242  | 100.0 %          | \$ 50,739,185     | 100.0 %          | \$ 49,953,936  | 100.0 %          |
| Core deposits <sup>(3)</sup>                        | \$ 44,861,313  | 88.7 %           | \$ 44,696,186     | 88.1 %           | \$ 43,705,682  | 87.5 %           |
| Brokered time deposits                              | \$ 2,994,602   | 5.9 %            | \$ 3,248,088      | 6.4 %            | \$ 3,807,038   | 7.6 %            |
| Public funds time deposits                          | \$ 355,614     | 0.7 %            | \$ 412,211        | 0.8 %            | \$ 270,786     | 0.5 %            |

<sup>(1)</sup> Deposits balance in each category expressed as percentage of total deposits.

<sup>(2)</sup> Excluding any public funds or brokered deposits.

<sup>(3)</sup> Core deposits exclude brokered deposits.

Total period-end deposits at March 31, 2024 decreased \$158.9 million compared to December 31, 2023 as a \$324.1 million decline in brokered deposits, resulting from continued proactive management of our balance sheet position, was somewhat offset by a \$165.1 million increase in core deposits. The growth in core deposits was primarily due to continued client demand for time deposits partially offset by a decline in non-interest-bearing demand deposits and seasonality.

Average deposit costs of 2.67%, which equate to a cycle-to-date total deposit beta of 49% through the first quarter of 2024, increased 17 bps and 123 bps, from the prior quarter and prior year comparable period, respectively, primarily due to the aforementioned continued client demand for time deposits along with remixing of non-interest-bearing demand deposits.

As of March 31, 2024 and December 31, 2023, \$23.74 billion and \$23.77 billion, respectively, of our deposit portfolio was uninsured. The uninsured amounts are estimated based on the methodologies and assumptions used for the Bank's regulatory reporting requirements. At March 31, 2024, approximately 85% of our deposits are either insured (54%), collateralized (14%), or could be insured by switching to our insured cash sweep program, which has existing capacity (17%).

## Non-interest Revenue

The following table shows the principal components of non-interest revenue.

**Table 6 - Non-interest Revenue**

| (dollars in thousands)                    | Three Months Ended March 31, |            |             |          |
|---|------------------------------|------------|-------------|----------|
|   | 2024                         | 2023       | \$ Change   | % Change |
| Service charges on deposit accounts       | \$ 21,813                    | \$ 22,974  | \$ (1,161)  | (5)%     |
| Fiduciary and asset management fees       | 19,013                       | 19,696     | (683)       | (3)      |
| Card fees                                 | 19,486                       | 15,824     | 3,662       | 23       |
| Brokerage revenue                         | 22,707                       | 24,204     | (1,497)     | (6)      |
| Mortgage banking income                   | 3,418                        | 3,858      | (440)       | (11)     |
| Capital markets income                    | 6,627                        | 15,127     | (8,500)     | (56)     |
| Income from bank-owned life insurance     | 7,347                        | 7,262      | 85          | 1        |
| Insurance revenue                         | 218                          | 539        | (321)       | (60)     |
| Investment securities gains (losses), net | —                            | 1,030      | (1,030)     | nm       |
| Recovery of NPA                           | —                            | 13,126     | (13,126)    | nm       |
| Other non-interest revenue                | 18,259                       | 9,486      | 8,773       | 92       |
| Total non-interest revenue                | \$ 118,888                   | \$ 133,126 | \$ (14,238) | (11)%    |
| Core banking fees <sup>(1)</sup>          | \$ 47,443                    | \$ 45,102  | \$ 2,341    | 5 %      |
| Wealth revenue <sup>(2)</sup>             | \$ 41,938                    | \$ 44,439  | \$ (2,501)  | (6)%     |

<sup>(1)</sup> Core banking fees consist of service charges on deposit accounts, card fees, and several other non-interest revenue components including line of credit non-usage fees, letter of credit fees, ATM fee income, and miscellaneous other service charges.

<sup>(2)</sup> Wealth revenue consists of fiduciary and asset management, brokerage, and insurance revenue.

### Three Months Ended March 31, 2024 compared to March 31, 2023

Non-interest revenue for the first quarter of 2024 was \$118.9 million, down \$14.2 million, or 11%, compared to the same period in 2023, as the prior year was favorably impacted by a \$13.1 million one-time benefit from the recovery of a non-performing asset related to the regulatory approval of our Qualpay investment.

Service charges on deposit accounts, consisting of account analysis fees, NSF fees, and all other service charges declined over the prior year comparable period. The largest category of service charges, account analysis fees, were up \$927 thousand, or 9%, compared to the first quarter of 2023. NSF/overdraft fees were down \$1.9 million, or 28%, primarily due to the impact of NSF/overdraft fee program changes implemented in the third quarter of 2023. All other service charges on deposit accounts, which consist primarily of monthly fees on consumer demand deposits and small business accounts, for the three months ended March 31, 2024 were down \$230 thousand, or 4%, compared to the same period in 2023.

Fiduciary and asset management fees are derived from providing estate administration, personal trust, corporate trust, corporate bond, investment management, financial planning, and family office services. Fiduciary and asset management fees were down, primarily driven by a decline in asset management income impacted by the sale of GLOBALT on September 30, 2023.

Card fees consist primarily of credit card interchange fees, debit card interchange fees, and merchant revenue. Card fees are reported net of certain associated expense items, including client loyalty program expenses and network expenses. Merchant revenue relates to the fees that are charged to merchant clients based on a percentage of their credit or debit card transaction volume amounts. Card fees for the three months ended March 31, 2024 were up compared to the same period in 2023, primarily due to increased merchant fees largely driven by our Qualpay investment.

Brokerage revenue consists primarily of brokerage commissions as well as advisory fees earned from the management of client assets. Brokerage revenue for the three months ended March 31, 2024 decreased 6% over the prior year comparable period, as the prior year largely benefited from client activity, including movement into short-term liquidity products such as repurchase agreements due to the rate environment.

Mortgage banking income, consisting of net gains on loan origination/sales activities, was lower for the three months ended March 31, 2024, compared to the same period in 2023, primarily due to a higher rate environment, reducing refinance and purchase volumes, driving down the pipeline, partially offset by a \$603 thousand increase in gains on sale with loans sold of \$113.2 million, which were slightly lower than the first quarter of 2023. Secondary market production was \$104.9 million for the three months ended March 31, 2024, a decline of \$844 thousand compared to the first quarter of 2023.



Capital markets income primarily includes fee income from client derivative transactions, debt capital market transactions, foreign exchange, gains (losses) from sales of SBA loans, as well as other miscellaneous income from capital market transactions. The decline in the first quarter of 2024 compared to higher results in the first quarter of 2023 and primarily resulted in a \$4.7 million decrease in fees on client derivative transactions, \$3.0 million lower loan syndication arranger fees, and \$778 thousand lower fee income from debt capital market transactions.

The main components of other non-interest revenue are fees for letters of credit and unused lines of credit, safe deposit box fees, access fees for ATM use, other service charges and loan servicing fees, earnings on equity method investments, commercial sponsorship fees, and other miscellaneous items. The three months ended March 31, 2024 increase compared to the prior year was largely due to \$7.3 million higher commercial sponsorship fees, and a \$928 thousand increase in the fair value of non-qualified deferred compensation plan assets (offset in non-interest expense).

### **Non-interest Expense**

The following table summarizes the components of non-interest expense.

**Table 7 - Non-interest Expense**

| <i>(dollars in thousands)</i>                  | <b>Three Months Ended March 31,</b> |                   |                  |                 |
|--|-------------------------------------|-------------------|------------------|-----------------|
|  | <b>2024</b>                         | <b>2023</b>       | <b>\$ Change</b> | <b>% Change</b> |
| Salaries and other personnel expense           | \$ 188,521                          | \$ 188,924        | \$ (403)         | — %             |
| Net occupancy, equipment, and software expense | 46,808                              | 42,860            | 3,948            | 9               |
| Third-party processing and other services      | 20,258                              | 21,833            | (1,575)          | (7)             |
| Professional fees                              | 7,631                               | 8,963             | (1,332)          | (15)            |
| FDIC insurance and other regulatory fees       | 23,819                              | 10,268            | 13,551           | 132             |
| Amortization of intangibles                    | 2,907                               | 1,857             | 1,050            | 57              |
| Restructuring charges (reversals)              | 1,524                               | (733)             | 2,257            | nm              |
| Loss on other loans held for sale              | —                                   | 16,750            | (16,750)         | nm              |
| Other operating expense                        | 31,273                              | 31,130            | 143              | —               |
| Total non-interest expense                     | <b>\$ 322,741</b>                   | <b>\$ 321,852</b> | <b>\$ 889</b>    | <b>— %</b>      |

*Three Months Ended March 31, 2024 compared to March 31, 2023*

Non-interest expense for the first quarter of 2024 was \$322.7 million, up \$889 thousand compared to the same period in 2023, and included a \$12.8 million additional accrual for the FDIC special assessment and continued technology investments while the comparable period in 2023 was negatively impacted by a \$16.8 million loss associated with \$424.1 million of third-party consumer loans moved to held for sale.

Salaries and other personnel expense decreased slightly for the three months ended March 31, 2024 primarily due to the impact of headcount reductions, partially offset by unfavorable deferred loan origination costs due to lower loan production and a \$928 thousand unfavorable change in the fair value of the non-qualified deferred compensation liability (offset in non-interest revenue). Total headcount of 4,812 was down by 349, or 7%, compared to March 31, 2023 primarily as a result of the voluntary early retirement program offered to certain qualified employees in 2023, in addition to strategic reductions in areas primarily impacted by production volume declines.

Net occupancy, equipment, and software expense increased compared to the three months ended March 31, 2023 primarily due to continued investments in technology.

Third-party processing and other services expense includes all third-party core operating system and processing charges as well as third-party loan servicing charges. Third-party processing expense decreased compared to the same period in 2023 largely due to lower servicing fees associated with decreased third-party consumer loans.

Professional fees were down for the three months ended March 31, 2024 largely due to lower consulting fees primarily related to strategic and infrastructure investments partially offset by increased legal fees from various transaction-related matters.

FDIC insurance and other regulatory fees increased for the three months ended March 31, 2024, largely due to an additional \$12.8 million accrual for the FDIC special assessment, which brings the total accrual to \$63.8 million. The final FDIC rule imposed a special assessment at an annual rate of approximately 13.4 bps on a bank's uninsured deposits balance, in excess of \$5 billion, as of December 31, 2022, payable in eight quarterly installments beginning in the first quarter of 2024, to



cover losses incurred by the DIF due to bank failures in March and May of 2023. In February 2024, the FDIC informed banks that the estimated losses attributable to the protection of uninsured depositors at the failed banks had increased from the estimate described in the final rule, and the \$12.8 million accrual in the current quarter is management's estimate of Synovus' share of the additional obligation. The FDIC plans to provide an updated estimate of each institution's quarterly and total special assessment expense with the first quarter 2024 special assessment invoices, to be released in June 2024.

Amortization of intangibles increased for the three months ended March 31, 2024 due to Synovus' acquisition of Qualpay in the second quarter of 2023.

During the three months ended March 31, 2024, restructuring charges (reversals) primarily consisted of \$1.3 million in asset impairment/lease termination and common area maintenance charges related to corporate offices while the restructuring charges (reversals) for the three months ended March 31, 2023 included \$1.4 million in gains on the sale of three branches partially offset by \$636 thousand of severance and branch-related asset impairment/lease termination charges.

Other operating expense includes advertising, travel, insurance, network and communication, other taxes, subscriptions and dues, other loan and ORE expense, postage and freight, training, business development, supplies, donations, and other miscellaneous expense. Other operating expense was up slightly for the three months ended March 31, 2024 largely due to the impact from the reversal of a \$2.7 million impairment charge related to Qualpay recorded in the first quarter of 2023 mostly offset by fewer donations due to timing of commitments in addition to decreases that included travel and training expense.

### **Income Tax Expense**

Income tax expense was \$36.9 million for the three months ended March 31, 2024, compared to \$57.7 million for the three months ended March 31, 2023, representing effective tax rates of 22.9% and 22.2%, respectively.

The effective tax rate was higher for the three months ended March 31, 2024, primarily due to a change in the timing and mix of discrete tax items recognized in the comparable periods. These items include excess tax expense/ benefits from vesting of share-based compensation awards, the accrual and release of valuation allowances and reserves for uncertain tax positions, and accounting for changes in tax laws, all of which can vary significantly and affect comparability from period to period.

## **CREDIT QUALITY, CAPITAL RESOURCES AND LIQUIDITY**

### **Credit Quality**

Synovus diligently monitors the quality of its loan portfolio by industry, property type, and geography through a thorough portfolio review process and our analytical risk management tools. Credit metrics continue to migrate from historically low levels with NPAs and NPLs at 86 bps and 81 bps, respectively, and total past due loans at 13 bps as a percentage of total loans at March 31, 2024. Net charge-offs were \$44.4 million, or 41 bps annualized, for the three months ended March 31, 2024 and were impacted by one large C&I loan relationship that accounted for \$18.0 million of net charge-offs.

The table below includes selected credit quality metrics.

**Table 8 - Credit Quality Metrics**

(dollars in thousands)

|   | <b>March 31, 2024</b> | <b>December 31, 2023</b> | <b>March 31, 2023</b> |
|---|-----------------------|--------------------------|-----------------------|
| Non-performing loans  | \$ 350,450            | \$ 288,177               | \$ 182,460            |
| ORE and other assets  | <b>21,210</b>         | —                        | —                     |
| Non-performing assets   | <b>371,660</b>        | \$ 288,177               | \$ 182,460            |
| Total loans   | <b>43,309,877</b>     | \$ 43,404,490            | \$ 44,044,939         |
| Non-performing loans as a % of total loans                                  | <b>0.81 %</b>         | 0.66 %                   | 0.41 %                |
| Non-performing assets as a % of total loans, ORE, and specific other assets | <b>0.86</b>           | 0.66                     | 0.41                  |
| Loans 90 days past due and still accruing                                   | <b>3,748</b>          | \$ 5,053                 | \$ 3,529              |
| As a % of total loans   | <b>0.01 %</b>         | 0.01 %                   | 0.01 %                |
| Total past due loans and still accruing                                     | <b>54,814</b>         | \$ 59,099                | \$ 55,053             |
| As a % of total loans   | <b>0.13 %</b>         | 0.14 %                   | 0.12 %                |
| FDMs  | <b>178,714</b>        | \$ 249,529               | \$ 61,339             |
| Net charge-offs, quarter  | <b>44,356</b>         | 41,574                   | 18,550                |
| Net charge-offs/average loans, quarter (annualized)                         | <b>0.41 %</b>         | 0.38 %                   | 0.17 %                |
| Provision for (reversal of) loan losses, quarter                            | <b>57,632</b>         | \$ 43,427                | \$ 32,136             |
| Provision for (reversal of) unfunded commitments, quarter                   | <b>(3,652)</b>        | 2,045                    | 18                    |
| Provision for (reversal of) credit losses, quarter                          | <b>53,980</b>         | \$ 45,472                | \$ 32,154             |
| Allowance for loan losses   | <b>492,661</b>        | \$ 479,385               | \$ 457,010            |
| Reserve for unfunded commitments  | <b>53,579</b>         | 57,231                   | 57,473                |
| Allowance for credit losses   | <b>546,240</b>        | \$ 536,616               | \$ 514,483            |
| ACL to loans coverage ratio   | <b>1.26 %</b>         | 1.24 %                   | 1.17 %                |
| ALL to loans coverage ratio   | <b>1.14</b>           | 1.10                     | 1.04                  |
| ACL/NPLs  | <b>155.87</b>         | 186.21                   | 281.97                |
| ALL/NPLs  | <b>140.58</b>         | 166.35                   | 250.47                |

**Non-performing Assets**

Total NPAs were \$371.7 million at March 31, 2024, an \$83.5 million, or 29%, increase from December 31, 2023 primarily due to the designation of a few large commercial relationships as non-performing, which have undergone impairment testing and have been appropriately charged down or reserved.

**Criticized and Classified Loans**

Our loan ratings are aligned to federal banking regulators' definitions of pass and criticized categories, which include special mention, substandard, doubtful, and loss. Substandard accruing and non-accruing loans, doubtful, and loss loans are often collectively referred to as classified. Special mention, substandard, doubtful, and loss loans are often collectively referred to as criticized and classified loans. The following table presents a summary of criticized and classified loans. Criticized and classified loans at March 31, 2024 increased \$107.6 million compared to December 31, 2023, primarily due to the downward migration of several commercial credits.

**Table 9 - Criticized and Classified Loans**

(dollars in thousands)

|                                 | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|---------------------------------|-----------------------|--------------------------|
| Special mention                 | \$ 652,984            | \$ 615,748               |
| Substandard                     | 921,422               | 898,579                  |
| Doubtful                        | 57,609                | 9,714                    |
| Loss                            | 2,212                 | 2,539                    |
| Criticized and Classified loans | <b>1,634,227</b>      | \$ 1,526,580             |
| As a % of total loans           | <b>3.8 %</b>          | 3.5 %                    |

### **Provision for (Reversal of) Credit Losses and Allowance for Credit Losses**

The provision for credit losses was \$54.0 million for the three months ended March 31, 2024, compared to a provision of \$32.2 million for the three months ended March 31, 2023. The increase was driven by increased net charge-offs and downward risk migration, partially offset by improved economic forecasts. Net charge-offs for the three months ended March 31, 2024 were \$44.4 million compared to \$18.6 million for the three months ended March 31, 2023.

The ALL of \$492.7 million and the reserve for unfunded commitments of \$53.6 million, which is recorded in other liabilities, comprise the total ACL of \$546.2 million at March 31, 2024. The ACL increased \$9.6 million compared to the December 31, 2023 ACL of \$536.6 million, which consisted of an ALL of \$479.4 million and the reserve for unfunded commitments of \$57.2 million. The ACL to loans coverage ratio of 1.26% at March 31, 2024 increased 2 bps compared to December 31, 2023. The increase in the ACL from December 31, 2023 resulted primarily from credit performance that included downward migration and a qualitative adjustment that offset improved economic inputs and net charge-offs.

### **Capital Resources**

Synovus and Synovus Bank are required to comply with capital adequacy standards established by our primary federal regulator, the Federal Reserve. Synovus and Synovus Bank measure capital adequacy using the standardized approach under Basel III. At March 31, 2024, Synovus and Synovus Bank's capital levels remained strong and exceeded well-capitalized requirements currently in effect. The following table presents certain ratios used to measure Synovus and Synovus Bank's capitalization.

**Table 10 - Capital Ratios**

(dollars in thousands)

|   | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|---|-----------------------|--------------------------|
| <b>CET1 capital</b>   |                       |                          |
| Synovus Financial Corp.                                       | \$ 5,223,898          | \$ 5,206,521             |
| Synovus Bank  | 5,572,017             | 5,559,624                |
| <b>Tier 1 risk-based capital</b>                              |                       |                          |
| Synovus Financial Corp.                                       | 5,761,043             | 5,743,666                |
| Synovus Bank  | 5,572,017             | 5,559,624                |
| <b>Total risk-based capital</b>                               |                       |                          |
| Synovus Financial Corp.                                       | 6,700,738             | 6,654,224                |
| Synovus Bank  | 6,290,658             | 6,249,947                |
| <b>CET1 capital ratio</b>                                     |                       |                          |
| Synovus Financial Corp.                                       | 10.38 %               | 10.22 %                  |
| Synovus Bank  | 11.09                 | 10.93                    |
| <b>Tier 1 risk-based capital ratio</b>                        |                       |                          |
| Synovus Financial Corp.                                       | 11.45                 | 11.28                    |
| Synovus Bank  | 11.09                 | 10.93                    |
| <b>Total risk-based capital to risk-weighted assets ratio</b> |                       |                          |
| Synovus Financial Corp.                                       | 13.32                 | 13.07                    |
| Synovus Bank  | 12.52                 | 12.29                    |
| <b>Leverage ratio</b>   |                       |                          |
| Synovus Financial Corp.                                       | 9.62                  | 9.49                     |
| Synovus Bank  | 9.32                  | 9.21                     |

At March 31, 2024, Synovus' CET1 ratio of 10.38% improved 16 bps compared to December 31, 2023, as our organic earnings continue to support capital accretion. Additionally, efforts to rationalize growth in certain categories resulted in a modest decline in risk-weighted-assets, which further supported the increase in our capital ratios. During April 2024, Synovus commenced risk-weighted asset optimization efforts that include analyzing and documenting eligibility of certain loans for reduced risk weighting. These results are expected to be reflected in the June 30, 2024 regulatory filings. We will continue to target a CET1 ratio within a range of 10.0% to 10.5% and aim to maintain a robust capital position against what remains an uncertain macroeconomic environment. For additional information on regulatory capital requirements, see "Part II - Item 8. Financial Statements and Supplementary Data - Note 10 - Regulatory Capital" to the consolidated financial statements of Synovus' 2023 Form 10-K. Management reviews the Company's capital position on an on-going basis and believes, based on internal capital analyses and earnings projections, that Synovus is well positioned to meet relevant regulatory capital standards.



The Company announced on January 18, 2024 that its Board of Directors authorized share repurchases of up to \$300 million of common stock and \$50 million of preferred stock in 2024. During the three months ended March 31, 2024, Synovus repurchased 800 thousand shares of common stock at an average price of \$37.36 per share via open market transactions.

On August 26, 2020, the federal banking regulators issued a final rule that allowed electing banking organizations that adopted CECL during 2020 to mitigate the estimated effects of CECL on regulatory capital for two years, followed by a three-year phase-in transition period. Synovus adopted CECL on January 1, 2020, and the March 31, 2024 regulatory capital ratios reflect Synovus' election of the five-year transition provision. At March 31, 2024, \$14.6 million, or a cumulative 3 bps benefit to CET1, was deferred.

## **Dividends**

Synovus has historically paid a quarterly cash dividend to the holders of its common stock. Management and the Board of Directors closely monitor current and projected capital levels, liquidity (including dividends from subsidiaries), financial markets and other economic trends, as well as regulatory requirements regarding the payment of dividends.

Synovus' ability to pay dividends on its common stock and preferred stock is primarily dependent upon dividends and distributions that it receives from its bank and non-banking subsidiaries, which are restricted by various regulations administered by federal and state bank regulatory authorities.

Synovus declared common stock dividends of \$55.6 million, or \$0.38 per common share, for the three months ended March 31, 2024, compared to \$55.5 million, or \$0.38 per common share, for the three months ended March 31, 2023. In addition, Synovus declared dividends on its preferred stock of \$9.7 million for the three months ended March 31, 2024 compared to \$8.3 million for the three months ended March 31, 2023.

## **Liquidity**

Liquidity represents the extent to which Synovus has readily available sources of funding to meet the needs of depositors, borrowers, and creditors; to support asset growth; and to otherwise sustain operations of Synovus and its subsidiaries, at a reasonable cost, on a timely basis, and without adverse consequences. ALCO monitors Synovus' economic, competitive, and regulatory environment and is responsible for measuring, monitoring, and reporting on liquidity and funding risk as well as market risk.

In accordance with Synovus policies and regulatory guidance, ALCO evaluates contractual and anticipated cash flows under normal and stressed conditions to properly manage the Company's liquidity profile. Synovus places an emphasis on maintaining numerous sources of current and contingent liquidity to meet its obligations to depositors, borrowers, and creditors on a timely basis. Liquidity is generated through various sources, including, but not limited to, maturities and repayments of loans by clients, maturities and sales of investment securities, and growth in core and wholesale deposits.

Synovus Bank also generates liquidity through the issuance of brokered certificates of deposit and money market accounts. Synovus Bank accesses funds from a broad geographic base to diversify its sources of funding and liquidity. Synovus Bank also has the capacity to access funding through its membership in the FHLB system and the Federal Reserve. Management continuously monitors and maintains appropriate levels of liquidity so as to provide adequate funding sources to manage client deposit withdrawals, loan requests, and other funding demands.

Total deposits at March 31, 2024 decreased \$158.9 million compared to December 31, 2023, as a \$324.1 million decline in brokered deposits, resulting from continued proactive management of our balance sheet position, was somewhat offset by a \$165.1 million increase in core deposits. The growth in core deposits was primarily due to continued client demand for time deposits partially offset by a decline in non-interest-bearing demand deposits and seasonality. Synovus continues to proactively manage its liquidity position, which has included the level of brokered deposits, and robust contingent liquidity is maintained across a diverse set of sources which include immediately available funds as well as funds we expect to be available within short notice. Contingent liquidity sources include primary sources such as FHLB borrowing capacity, FRB cash reserves, unencumbered securities, and third-party consumer loans, which includes our decision to sell loans from this portfolio and strategic runoff, while secondary sources consist of the Federal Reserve discount window, Fed Funds lines, and other sources. At March 31, 2024, contingent sources of liquidity totaled approximately \$26.9 billion, and based on currently pledged collateral, Synovus Bank had access to FHLB funding of \$7.39 billion, subject to FHLB credit policies.

In addition to bank level liquidity management, Synovus must manage liquidity at the Parent Company level for various operating needs, including the servicing of debt, the payment of dividends on our common stock and preferred stock, payment of general corporate expense, and potential capital infusions into subsidiaries. The primary source of liquidity for Synovus consists of dividends from Synovus Bank, which is governed by certain rules and regulations of the GA DBF and the Federal Reserve Bank. Synovus' ability to receive dividends from Synovus Bank in future periods will depend on a number of factors, including, without limitation, Synovus Bank's future profits, asset quality, liquidity, and overall condition. In addition, both the GA DBF and Federal Reserve Bank may require approval to pay dividends, based on certain regulatory statutes and limitations.



Synovus presently believes that the sources of liquidity discussed above, including existing liquid funds on hand, are sufficient to meet its anticipated funding needs. However, if economic conditions were to significantly deteriorate, regulatory capital requirements for Synovus or Synovus Bank were to increase as a result of directives or otherwise, or Synovus believes it is prudent to enhance current liquidity levels, then Synovus may seek additional liquidity from external sources. See "Part I – Item 1A. Risk Factors - Market and Other General Risk - *Recent negative developments affecting the banking industry, and resulting media coverage, have eroded client confidence in the banking system,* and Credit and Liquidity Risk - *Changes in the cost and availability of funding due to changes in the deposit market and credit market may adversely affect our capital resources, liquidity and financial results,*" of Synovus' 2023 Form 10-K. Furthermore, Synovus may, from time to time, take advantage of attractive market opportunities to refinance, retire, or repurchase its existing debt, redeem its preferred stock, repurchase shares, or strengthen its liquidity or capital position.

### Earning Assets and Sources of Funds

Average earning assets decreased \$1.44 billion in the first three months of 2024 compared to the same period in 2023. The decrease in average earning assets primarily resulted from an average other loans held for sale decline of \$425.2 million, an average total loans, net of unearned income, decrease of \$415.5 million, \$346.4 million lower average interest-bearing funds held at the Federal Reserve Bank due to an elevated cash position amidst banking industry uncertainty that began near the end of the first quarter of 2023, and a \$145.7 million decrease in average investment securities available for sale (amortized cost basis). The decline in average other loans held for sale was primarily attributable to sales of third-party consumer loans while the decrease in average total loans, net of unearned income, was largely due to a decline in third-party consumer loans from continued run-off and a \$424.1 million transfer to held for sale near the end of the first quarter of 2023.

Average interest-bearing liabilities increased \$1.09 billion, or 3%, for the first three months of 2024 compared to the same period in 2023. The increase in average interest-bearing liabilities largely resulted from increases of \$4.30 billion and \$1.50 billion in average time deposits and average interest-bearing demand deposits, respectively, partially offset by decreases of \$1.61 billion, \$1.57 billion, and \$1.38 billion in average other short-term borrowings, average money market accounts, and average long-term debt, respectively. The increases in time deposits and interest-bearing demand deposits and decrease in money market accounts were correlated as fluctuations between these categories have been driven by the rate environment. The decreases in other short-term borrowings and long-term debt were largely due to the ongoing management of our liquidity position. Average non-interest-bearing demand deposits decreased \$2.94 billion for the first three months of 2024 compared to the same period in 2023 primarily due to the continued pressures from the rate environment and client deployment of excess funds.

Net interest income for the three months ended March 31, 2024 was \$418.8 million, down \$61.9 million, or 13%, compared to the same period in 2023. Net interest margin was down 39 bps over the comparable period to 3.04% as the benefits of our asset sensitive balance sheet were offset by continued increases in funding costs and negative deposit remixing.

On a sequential quarter basis, net interest income was down \$18.4 million, or 4%, impacted largely by continued higher deposit costs partially offset by lower day count and benefits of available for sale investment securities repositioning in the fourth quarter of 2023. Net interest margin for the first quarter of 2024 was down 7 bps compared to the fourth quarter of 2023, as the asset side of our balance sheet continued to benefit from higher rates, but the impact from higher deposit pricing combined with negative deposit remixing resulted in margin compression. We expect net interest margin to be relatively stable in the second quarter of 2024 and higher in the second half of 2024, supported by fixed-rate asset repricing and hedge maturities.

## Net Interest Income and Rate/Volume Analysis

The following table sets forth the major components of net interest income and the related annualized yields and rates for the three months ended March 31, 2024 and 2023, as well as the variances between the periods caused by changes in interest rates versus changes in volume.

**Table 11 - Quarter-to-Date Net Interest Income and Rate/Volume Analysis**

| (dollars in thousands)   | Three Months Ended March 31, |                   |               |                      |                   |               | 2024 Compared to 2023        |                   |                     |
|--|------------------------------|-------------------|---------------|----------------------|-------------------|---------------|------------------------------|-------------------|---------------------|
|  | 2024                         |                   |               | 2023                 |                   |               | Change due to <sup>(1)</sup> |                   |                     |
|  | Average Balance              | Interest          | Yield/Rate    | Average Balance      | Interest          | Yield/Rate    | Volume                       | Yield/ Rate       | Increase (Decrease) |
| <b>Assets</b>  |                              |                   |               |                      |                   |               |                              |                   |                     |
| Interest earning assets:   |                              |                   |               |                      |                   |               |                              |                   |                     |
| Commercial loans <sup>(2)(3)</sup>   | \$ 34,943,797                | \$ 583,459        | 6.72 %        | \$ 35,030,809        | \$ 526,529        | 6.10 %        | \$ (1,320)                   | \$ 58,250         | \$ 56,930           |
| Consumer loans <sup>(2)</sup>  | 8,434,105                    | 109,566           | 5.21          | 8,762,631            | 104,147           | 4.78          | (3,905)                      | 9,324             | 5,419               |
| Less: Allowance for loan losses  | (481,146)                    | —                 | —             | (445,192)            | —                 | —             | —                            | —                 | —                   |
| Loans, net   | 42,896,756                   | 693,025           | 6.49          | 43,348,248           | 630,676           | 5.89          | (5,225)                      | 67,574            | 62,349              |
| Investment securities available for sale                                       | 11,148,242                   | 71,906            | 2.58          | 11,293,958           | 61,054            | 2.16          | (782)                        | 11,634            | 10,852              |
| Trading account assets   | 11,567                       | 65                | 2.25          | 11,338               | 124               | 4.39          | 2                            | (61)              | (59)                |
| Other earning assets <sup>(4)</sup>  | 1,218,090                    | 16,173            | 5.25          | 1,513,800            | 17,212            | 4.55          | (3,338)                      | 2,299             | (1,039)             |
| FHLB and Federal Reserve Bank stock  | 187,825                      | 2,273             | 4.84          | 306,935              | 3,355             | 4.37          | (1,294)                      | 212               | (1,082)             |
| Mortgage loans held for sale   | 29,773                       | 495               | 6.65          | 36,497               | 566               | 6.20          | (104)                        | 33                | (71)                |
| Other loans held for sale  | 18,465                       | 83                | 1.77          | 443,690              | 5,011             | 4.52          | (4,779)                      | (149)             | (4,928)             |
| Total interest earning assets  | \$ 55,510,718                | \$ 784,020        | 5.68 %        | \$ 56,954,466        | \$ 717,998        | 5.11 %        | \$ (15,520)                  | \$ 81,542         | \$ 66,022           |
| Cash and due from banks  | 532,624                      |                   |               | 643,502              |                   |               |                              |                   |                     |
| Premises and equipment   | 370,376                      |                   |               | 370,275              |                   |               |                              |                   |                     |
| Other real estate  | 61                           |                   |               | —                    |                   |               |                              |                   |                     |
| Cash surrender value of bank-owned life insurance                              | 1,114,703                    |                   |               | 1,091,080            |                   |               |                              |                   |                     |
| Other assets <sup>(5)</sup>  | 1,493,749                    |                   |               | 1,074,238            |                   |               |                              |                   |                     |
| Total assets   | <u>\$ 59,022,231</u>         |                   |               | <u>\$ 60,133,561</u> |                   |               |                              |                   |                     |
| <b>Liabilities and Shareholders' Equity</b>                                    |                              |                   |               |                      |                   |               |                              |                   |                     |
| Interest-bearing liabilities:  |                              |                   |               |                      |                   |               |                              |                   |                     |
| Interest-bearing demand deposits   | \$ 10,590,340                | \$ 65,415         | 2.48 %        | \$ 9,088,533         | \$ 23,218         | 1.04 %        | \$ 3,883                     | \$ 38,314         | \$ 42,197           |
| Money market accounts  | 12,826,385                   | 103,129           | 3.23          | 14,397,683           | 72,618            | 2.05          | (8,009)                      | 38,520            | 30,511              |
| Savings deposits   | 1,057,087                    | 287               | 0.11          | 1,370,173            | 211               | 0.06          | (47)                         | 123               | 76                  |
| Time deposits  | 7,902,850                    | 86,493            | 4.40          | 3,601,288            | 21,496            | 2.42          | 25,882                       | 39,115            | 64,997              |
| Brokered deposits  | 5,737,445                    | 77,342            | 5.42          | 5,553,970            | 56,392            | 4.12          | 1,879                        | 19,071            | 20,950              |
| Federal funds purchased and securities sold under repurchase agreements        | 113,558                      | 648               | 2.26          | 133,360              | 670               | 2.01          | (99)                         | 77                | (22)                |
| Other short-term borrowings  | 71,775                       | 955               | 5.26          | 1,677,519            | 18,994            | 4.53          | (18,086)                     | 47                | (18,039)            |
| Long-term debt   | 1,764,740                    | 29,595            | 6.69          | 3,148,062            | 42,529            | 5.41          | (18,607)                     | 5,673             | (12,934)            |
| Total interest-bearing liabilities   | <u>\$ 40,064,180</u>         | <u>\$ 363,864</u> | <u>3.65 %</u> | <u>\$ 38,970,588</u> | <u>\$ 236,128</u> | <u>2.46 %</u> | <u>\$ (13,204)</u>           | <u>\$ 140,940</u> | <u>\$ 127,736</u>   |
| Non-interest-bearing demand deposits   | <u>12,071,670</u>            |                   |               | <u>15,014,224</u>    |                   |               |                              |                   |                     |
| Other liabilities  | <u>1,782,659</u>             |                   |               | <u>1,522,827</u>     |                   |               |                              |                   |                     |
| Total equity   | <u>5,103,722</u>             |                   |               | <u>4,625,922</u>     |                   |               |                              |                   |                     |
| Total liabilities and shareholders' equity                                     | <u>\$ 59,022,231</u>         |                   |               | <u>\$ 60,133,561</u> |                   |               |                              |                   |                     |
| Net interest income and net interest margin, taxable equivalent <sup>(6)</sup> | \$ 420,156                   | 3.04 %            |               | \$ 481,870           | 3.43 %            |               | \$ (2,316)                   | \$ (59,398)       | \$ (61,714)         |
| Less: taxable-equivalent adjustment  | <u>1,310</u>                 |                   |               | <u>1,119</u>         |                   |               |                              |                   |                     |
| Net interest income  | <u>\$ 418,846</u>            |                   |               | <u>\$ 480,751</u>    |                   |               |                              |                   |                     |

(1) Changes in rate/volume will equal the increase/ (decrease) in interest income/expense.

(2) Average loans are shown net of unearned income. NPLs are included. Interest income includes fees as follows: 2024 - \$10.6 million, 2023 - \$11.5 million.

(3) Reflects taxable-equivalent adjustments, using the statutory federal income tax rate of 21%, in adjusting interest on tax-exempt loans to a taxable-equivalent basis.

(4) Includes interest-bearing funds with Federal Reserve Bank, interest earning deposits with banks, and federal funds sold and securities purchased under resale agreements.

(5) Includes average net unrealized gains (losses) on investment securities available for sale of \$(1.36) billion and \$(1.52) billion for the three months ended March 31, 2024 and 2023, respectively.

(6) The net interest margin is calculated by dividing annualized net interest income - TE by average total interest earnings assets.

## Market Risk Analysis

Interest rate risk is the primary market risk to which Synovus is potentially exposed. Synovus measures the sensitivity of net interest income to changes in market interest rates through the use of simulation modeling, which incorporates all of Synovus' earning assets and liabilities. These simulations are used to determine a baseline net interest income projection and the sensitivity of the income profile based on changes in interest rates. These simulations incorporate assumptions and factors, including, but not limited to, changes in market rates, in the size or composition of the balance sheet, and in repricing characteristics as well as client behaviors for both loans and deposits. This includes estimates for deposit repricing characteristics which, for purposes of the sensitivity estimates provided below, relies upon a constant, through-the-cycle total deposit cost beta of approximately 40%- 45% as of the most recently reported period. This process is reviewed and updated on an on-going basis in a manner consistent with Synovus' ALCO governance framework.

Synovus has modeled its baseline net interest income forecast assuming a relatively flat interest rate environment, with the federal funds rate at the Federal Reserve's targeted range of 5.25% to 5.50% as of March 31, 2024 and the prime rate of 8.50% as of March 31, 2024. Synovus has modeled the impact of an immediate change in market interest rates across the yield curve of 100 and 200 bps to determine the sensitivity of net interest income for the next 12 months. As illustrated in the table below, the net interest income sensitivity derived from this simulation suggests that net interest income is projected to increase by 3.2% and 1.6% if interest rates increased by 200 and 100 bps, respectively. Net interest income is projected to decrease by 1.7% and 3.6% if interest rates decreased by 100 and 200 bps, respectively.

The following table represents the estimated sensitivity of net interest income at March 31, 2024, with comparable information for December 31, 2023.

**Table 12 - 12 Month Net Interest Income Sensitivity**

| Change in Interest Rates (in bps) | Estimated % Change in Net Interest Income as Compared to Unchanged Rates (for the next 12 months) |                   |
|-----------------------------------|---|-------------------|
|                                   | March 31, 2024  | December 31, 2023 |
| +200                              | 3.2%  | 3.7%              |
| +100                              | 1.6   | 1.9               |
| -100                              | (1.7)   | (2.0)             |
| -200                              | (3.6)   | (4.1)             |

While all of the above estimates are reflective of the general interest rate sensitivity of Synovus, local market conditions, the realized growth and remixing of the balance sheet, as well as the broader macroeconomic environment could all have a significant impact on both the sensitivity and realized level of net interest income. Additionally, should there be differences between realized deposit betas for a given level of rates as compared to the Company's estimates for through-the-cycle betas, this may also have a significant impact on our reported sensitivity and the realized level of net interest income.

The net interest income simulation model is the primary tool utilized to evaluate potential interest rate risks over a shorter-term time horizon. Synovus also evaluates potential longer-term interest rate risk through modeling and evaluation of the sensitivity of the Company's EVE. The EVE measurement process estimates the net fair value of assets, liabilities, and off-balance sheet financial instruments under various interest rate scenarios. Management uses EVE sensitivity analyses as an additional means of measuring interest rate risk and incorporates this form of analysis within its governance and limits framework.

Synovus is also subject to market risk in certain of its fee income business lines. Financial management services revenue, which include trust, brokerage, and asset management fees, can be affected by risk in the securities markets, primarily the equity securities market. A significant portion of the fees in this unit are determined based upon a percentage of asset values. Weaker securities markets and lower equity values have an adverse impact on the fees generated by these operations. Trading account assets, maintained to facilitate brokerage client activity, are also subject to market risk; however, trading activities are limited and subject to risk policy limits. Additionally, Synovus utilizes various tools to measure and manage price risk in its trading portfolio.

Mortgage banking income is also subject to market risk. Mortgage loan originations are sensitive to levels of mortgage interest rates and therefore, mortgage banking income can be negatively impacted during periods of rising interest rates as we have been experiencing through-the-cycle. The extension of commitments to clients to fund mortgage loans also subjects Synovus to market risk. This risk is primarily created by the time periods between making the commitment, closing, and delivering the loan. Synovus seeks to minimize its exposure by utilizing various risk management tools, including forward sales commitments and other economic hedges.



## Derivative Instruments for Interest Rate Risk Management

Synovus utilizes derivative instruments to manage its exposure to various types of structural interest rate risks by executing end-user derivative transactions designated as hedges. Hedging relationships may be designated as either a cash flow hedge, which mitigates risk exposure to the variability of future cash flows or other forecasted transactions, or a fair value hedge, which mitigates risk exposure to adverse changes in the fair market value of a fixed rate asset or liability due to changes in market interest rates.

As of March 31, 2024 and December 31, 2023, Synovus had \$4.60 billion and \$5.60 billion, respectively, in notional amounts outstanding of both effective and forward-starting interest rate swaps designated as cash flow hedging instruments to hedge its exposure to contractually specified interest rate risk associated with floating rate loans.

As of March 31, 2024 and December 31, 2023, Synovus had \$2.73 billion and \$2.56 billion, respectively, in notional amounts outstanding of receive-fixed, pay-variable interest rate swaps designated as fair value hedging instruments to hedge its exposure to the change in the fair value due to fluctuations in market interest rates for outstanding fixed-rate long-term debt and fixed-rate interest-bearing deposits.

## Critical Accounting Policies

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. Synovus has identified certain of its accounting policies as "critical accounting policies," consisting of those related to the allowance for credit losses and income taxes. 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 on a periodic basis, 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 "Part II - Item 8. Financial Statements and Supplementary Data - Note 1 - Summary of Significant Accounting Policies" in Synovus' 2023 Form 10-K should be reviewed for a greater understanding of how we record and report our financial performance. There have been no significant changes to the accounting policies, estimates, and assumptions, or the judgments affecting the application of these estimates and assumptions from those disclosed in Synovus' 2023 Form 10-K.

## Non-GAAP Financial Measures

The measures entitled adjusted non-interest revenue, adjusted non-interest expense, adjusted revenue, adjusted tangible efficiency ratio, adjusted net income available to common shareholders, adjusted net income per common share, diluted, adjusted return on average assets, adjusted return on average common equity, return on average tangible common equity, adjusted return on average tangible common equity, and tangible common equity ratio, are not measures recognized under GAAP and therefore are considered non-GAAP financial measures. The most comparable GAAP measures to these measures are total non-interest revenue, total non-interest expense, total revenue, efficiency ratio-TE, net income available to common shareholders, net income per common share, diluted, return on average assets, return on average common equity, and the ratio of total shareholders' equity to total assets, respectively.

Management believes that these non-GAAP financial measures provide meaningful additional information about Synovus to assist management and investors in evaluating Synovus' operating results, financial strength, the performance of its business, and the strength of its capital position. However, these non-GAAP financial measures have inherent limitations as analytical tools and should not be considered in isolation or as a substitute for analyses of operating results or capital position as reported under GAAP. The non-GAAP financial measures should be considered as additional views of the way our financial measures are affected by significant items and other factors, and since they are not required to be uniformly applied, they may not be comparable to other similarly titled measures at other companies. Adjusted revenue and adjusted non-interest revenue are measures used by management to evaluate total revenue and non-interest revenue exclusive of net investment securities gains (losses), and fair value adjustments on non-qualified deferred compensation, and other items not indicative of ongoing operations that could impact period-to-period comparisons. Adjusted non-interest expense and the adjusted tangible efficiency ratio are measures utilized by management to measure the success of expense management initiatives focused on reducing recurring controllable operating costs. Adjusted net income available to common shareholders, adjusted net income per common share, diluted, adjusted return on average assets, and adjusted return on average common equity are measurements used by management to evaluate operating results exclusive of items that management believes are not indicative of ongoing operations and impact period-to-period comparisons. Return on average tangible common equity and adjusted return on average tangible common equity are measures used by management to compare Synovus' performance with other financial institutions because it calculates the return available to common shareholders without the impact of intangible assets and their related amortization, thereby allowing management to evaluate the performance of the business consistently. The computations of these



measures are set forth in the tables below.

Management does not provide a reconciliation for forward-looking non-GAAP financial measures where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the occurrence and the financial impact of various items that have not yet occurred, are out of Synovus' control, or cannot be reasonably predicted. For the same reasons, Synovus' management is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

**Table 13 - Reconciliation of Non-GAAP Financial Measures**

| (in thousands)   | <b>Three Months Ended</b> |                       |
|--|---------------------------|-----------------------|
|  | <b>March 31, 2024</b>     | <b>March 31, 2023</b> |
| <b>Adjusted non-interest revenue</b>                           |                           |                       |
| Total non-interest revenue                                     | \$ 118,888                | \$ 133,126            |
| Investment securities (gains) losses, net                      | —                         | (1,030)               |
| Recovery of NPA  | —                         | (13,126)              |
| Fair value adjustment on non-qualified deferred compensation   | (2,299)                   | (1,371)               |
| Adjusted non-interest revenue                                  | <b>\$ 116,589</b>         | <b>\$ 117,599</b>     |
| <b>Adjusted non-interest expense</b>                           |                           |                       |
| Total non-interest expense                                     | \$ 322,741                | \$ 321,852            |
| (Loss) gain on other loans held for sale                       | —                         | (16,750)              |
| Restructuring (charges) reversals                              | (1,524)                   | 733                   |
| Fair value adjustment on non-qualified deferred compensation   | (2,299)                   | (1,371)               |
| Adjusted non-interest expense                                  | <b>\$ 318,918</b>         | <b>\$ 304,464</b>     |
| <b>Adjusted revenue and adjusted tangible efficiency ratio</b> |                           |                       |
| Adjusted non-interest expense                                  | \$ 318,918                | \$ 304,464            |
| Amortization of intangibles                                    | (2,907)                   | (1,857)               |
| Adjusted tangible non-interest expense                         | <b>\$ 316,011</b>         | <b>\$ 302,607</b>     |
| Net interest income  | \$ 418,846                | \$ 480,751            |
| Total non-interest revenue                                     | <b>118,888</b>            | <b>133,126</b>        |
| Total revenue  | \$ 537,734                | \$ 613,877            |
| Tax equivalent adjustment                                      | 1,310                     | 1,119                 |
| Total TE revenue   | <b>\$ 539,044</b>         | <b>\$ 614,996</b>     |
| Recovery of NPA  | —                         | (13,126)              |
| Investment securities (gains) losses, net                      | —                         | (1,030)               |
| Fair value adjustment on non-qualified deferred compensation   | (2,299)                   | (1,371)               |
| Adjusted revenue   | <b>\$ 536,745</b>         | <b>\$ 599,469</b>     |
| Efficiency ratio-TE  | <b>59.87 %</b>            | <b>52.33 %</b>        |
| Adjusted tangible efficiency ratio                             | <b>58.88</b>              | <b>50.48</b>          |

**Table 13 - Reconciliation of Non-GAAP Financial Measures, continued**

(in thousands, except per share data)

**Adjusted net income available to common shareholders and adjusted diluted earnings per share**

|  | <b>Three Months Ended</b> |                       |
|--|---------------------------|-----------------------|
|  | <b>March 31, 2024</b>     | <b>March 31, 2023</b> |
| Net income available to common shareholders          | \$ 114,822                | \$ 193,868            |
| Recovery of NPA                                      | —                         | (13,126)              |
| Loss (gain) on other loans held for sale             | —                         | 16,750                |
| Restructuring charges (reversals)                    | 1,524                     | (733)                 |
| Investment securities (gains) losses, net            | —                         | (1,030)               |
| Tax effect of adjustments <sup>(1)</sup>             | (373)                     | (453)                 |
| Adjusted net income available to common shareholders | \$ 115,973                | \$ 195,276            |
| Weighted average common shares outstanding, diluted  | 147,122                   | 146,727               |
| Net income per common share, diluted                 | \$ 0.78                   | \$ 1.32               |
| Adjusted net income per common share, diluted        | 0.79                      | 1.33                  |

<sup>(1)</sup> An assumed marginal tax rate of 24.5% for 1Q24, and 24.3% for 1Q23 was applied.

(dollars in thousands)

**Adjusted return on average assets (annualized)**

|  | <b>Three Months Ended</b> |                       |
|--|---------------------------|-----------------------|
|  | <b>March 31, 2024</b>     | <b>March 31, 2023</b> |
| Net income                                     | \$ 124,070                | \$ 202,159            |
| Recovery of NPA                                | —                         | (13,126)              |
| Loss (gain) on other loans held for sale       | —                         | 16,750                |
| Restructuring charges (reversals)              | 1,524                     | (733)                 |
| Investment securities (gains) losses, net      | —                         | (1,030)               |
| Tax effect of adjustments <sup>(1)</sup>       | (373)                     | (453)                 |
| Adjusted net income                            | \$ 125,221                | \$ 203,567            |
| Net income annualized                          | \$ 499,007                | \$ 819,867            |
| Adjusted net income annualized                 | \$ 503,636                | \$ 825,577            |
| Total average assets                           | \$ 59,022,231             | \$ 60,133,561         |
| Return on average assets (annualized)          | 0.85 %                    | 1.36 %                |
| Adjusted return on average assets (annualized) | 0.85                      | 1.37                  |

<sup>(1)</sup> An assumed marginal tax rate of 24.5% for 1Q24, and 24.3% for 1Q23 was applied.

**Table 13 - Reconciliation of Non-GAAP Financial Measures, continued**

| (dollars in thousands)  | <b>Three Months Ended</b> |                       |
|---|---------------------------|-----------------------|
|   | <b>March 31, 2024</b>     | <b>March 31, 2023</b> |
| <b>Adjusted return on average common equity, return on average tangible common equity, and adjusted return on average tangible common equity (annualized)</b> |                           |                       |
| Net income available to common shareholders   | \$ 114,822                | \$ 193,868            |
| Recovery of NPA   | —                         | (13,126)              |
| Loss (gain) on other loans held for sale  | —                         | 16,750                |
| Restructuring charges (reversals)   | 1,524                     | (733)                 |
| Investment securities (gains) losses, net   | —                         | (1,030)               |
| Tax effect of adjustments <sup>(1)</sup>  | (373)                     | (453)                 |
| Adjusted net income available to common shareholders  | \$ 115,973                | \$ 195,276            |
| Adjusted net income available to common shareholders annualized   | \$ 466,441                | \$ 791,953            |
| Amortization of intangibles, annualized net of tax  | 8,831                     | 5,699                 |
| Adjusted net income available to common shareholders excluding amortization of intangibles annualized   | \$ 475,272                | \$ 797,652            |
| Net income available to common shareholders annualized  | \$ 461,812                | \$ 786,242            |
| Amortization of intangibles, annualized net of tax  | 8,831                     | 5,699                 |
| Net income available to common shareholders excluding amortization of intangibles   | \$ 470,643                | \$ 791,941            |
| Total average Synovus Financial Corp. shareholders' equity less preferred stock   | \$ 4,542,616              | \$ 4,088,777          |
| Average goodwill  | (480,440)                 | (452,390)             |
| Average other intangible assets, net  | (44,497)                  | (26,245)              |
| Total average Synovus Financial Corp. tangible shareholders' equity less preferred stock  | \$ 4,017,679              | \$ 3,610,142          |
| Return on average common equity (annualized)  | 10.2 %                    | 19.2 %                |
| Adjusted return on average common equity (annualized)   | 10.3                      | 19.4                  |
| Return on average tangible common equity (annualized)   | 11.7                      | 21.9                  |
| Adjusted return on average tangible common equity (annualized)  | 11.8                      | 22.1                  |
| <sup>(1)</sup> An assumed marginal tax rate of 24.5% for 1Q24, and 24.3% for 1Q23 was applied.  |                           |                       |

| (dollars in thousands)   | <b>March 31, 2024</b> | <b>December 31, 2023</b> | <b>March 31, 2023</b> |
|--|-----------------------|--------------------------|-----------------------|
|  |                       |                          |                       |
| <b>Tangible common equity ratio</b>                                      |                       |                          |                       |
| Total assets   | \$ 59,835,120         | \$ 59,809,534            | \$ 61,840,025         |
| Goodwill   | (480,440)             | (480,440)                | (452,390)             |
| Other intangible assets, net   | (43,021)              | (45,928)                 | (25,267)              |
| Tangible assets  | \$ 59,311,659         | \$ 59,283,166            | \$ 61,362,368         |
| Total Synovus Financial Corp. shareholders' equity                       | \$ 5,017,918          | \$ 5,119,993             | \$ 4,770,130          |
| Goodwill   | (480,440)             | (480,440)                | (452,390)             |
| Other intangible assets, net   | (43,021)              | (45,928)                 | (25,267)              |
| Preferred stock, no par value  | (537,145)             | (537,145)                | (537,145)             |
| Tangible common equity   | \$ 3,957,312          | \$ 4,056,480             | \$ 3,755,328          |
| Total Synovus Financial Corp. shareholders' equity to total assets ratio | 8.39 %                | 8.56 %                   | 7.71 %                |
| Tangible common equity ratio   | 6.67                  | 6.84                     | 6.12                  |

**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 section of this Report is incorporated herein by reference.

**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 March 31, 2024, Synovus' disclosure controls and procedures were effective.

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 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, Synovus' internal control over financial reporting.

## PART II. – OTHER INFORMATION

### **ITEM 1. – LEGAL PROCEEDINGS**

See "Part I - Item 1. Financial Statements and Supplementary Data - Note 8 - Commitments and Contingencies" of this Report.

### **ITEM 1A. – RISK FACTORS**

In addition to the other information set forth in this Report, in evaluating an investment in the Company's securities, investors should consider carefully, among other things, the risk factors previously disclosed in "Part I - Item IA - Risk Factors" of Synovus' 2023 Form 10-K which could materially affect the Company's 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 are no material changes during the period covered by this Report to the risk factors previously disclosed in our 2023 Form 10-K.

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

- (a) None.
- (b) None.
- (c) Issuer Purchases of Equity Securities:

The Company announced on January 18, 2024 that its Board of Directors authorized share repurchases of up to \$300 million of common stock and \$50 million of preferred stock in 2024.

**Table 14 - Share Repurchases**

| <i>(in thousands, except per share data)</i> | <b>Total Number<br/>of Shares<br/>Repurchased</b> | <b>Average<br/>Price Paid<br/>per<br/>Share<sup>(1)</sup></b> | <b>Total Number<br/>of Shares Repurchased<br/>as<br/>Part of<br/>Publicly Announced<br/>Plans or Programs</b> | <b>Maximum Approximate<br/>Dollar Value<br/>of Shares<br/>that May Yet Be<br/>Purchased Under the<br/>Plans or Programs</b> |
|--|---|---|---|---|
| January 2024                                 | 340   | \$ 38.70  | 340   | \$ 299,660  |
| February 2024                                | 460   | 36.37   | 460   | 299,200   |
| March 2024                                   | —   | —   | —   | 299,200   |
| <b>Total</b>                                 | <b>800</b>  | <b>\$ 37.36</b>   | <b>800</b>  |   |

<sup>(1)</sup> The average price paid per share is calculated on a trade date basis for all open market transactions and excludes commissions and other transaction expenses.

The foregoing common stock repurchases during the first quarter of 2024 were purchased through open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

### **ITEM 3. – DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. – MINE SAFETY DISCLOSURES**

None.

### **ITEM 5. – OTHER INFORMATION**

- (a) None.
- (b) None.

(c) Pursuant to Item 408(a) of Regulation S-K, none of the Company's directors or executive officers adopted, terminated or modified a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the three months ended March 31, 2024.

**ITEM 6. – EXHIBITS**

| <b>Exhibit<br/>Number</b> | <b>Description</b>   |
|---------------------------|--|
| 3.1                       | <a href="#"><u>Restated Articles of Incorporation of Synovus, incorporated by reference to Exhibit 3.1 of Synovus' Current Report on Form 8-K dated April 22, 2020, as filed with the SEC on April 24, 2020.</u></a> |
| 3.2                       | <a href="#"><u>Restated Bylaws of Synovus, incorporated by reference to Exhibit 3.2 of Synovus' Current Report on Form 8-K dated April 22, 2020, as filed with the SEC on April 24, 2020.</u></a>                    |
| 10.1                      | <a href="#"><u>Summary of Board of Directors Compensation.</u></a>   |
| 31.1                      | <a href="#"><u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>   |
| 31.2                      | <a href="#"><u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>   |
| 32                        | <a href="#"><u>Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>   |
| 101                       | Interactive Data File  |
| 104                       | Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).  |

**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.

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May 2, 2024

Date

By: 

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/s/ Andrew J. Gregory, Jr.

Andrew J. Gregory, Jr.

Executive Vice President and Chief Financial Officer  
(Duly Authorized Officer and Principal Financial Officer)