



# Synovus Bank Deposit Sweep Program Disclosure Statement

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## I. Summary

### *Introduction*

Synovus Securities, Inc. (“Synovus”, “we” or “us”) offers the Synovus Bank Deposit Sweep Program (“Bank Deposit Sweep Program”) to customers (“you”, “your” and “yours”) as a core account investment vehicle (“Core Account Investment Vehicle”). Synovus offers the Bank Deposit Sweep Program in conjunction with National Financial Services, LLC (“NFS”), a New York Stock Exchange (“NYSE”) member which we have engaged to provide custody and clearing services.

Through the Bank Deposit Sweep Program, NFS will automatically deposit, or “sweep,” available cash not required to pay debits (“Free Credit Balances”) in the core account (“Core Account”) of your brokerage account carried by NFS (“Account”) into deposit accounts (the “Deposit Accounts”) at Synovus Bank, a Federal Deposit Insurance Corporation (“FDIC”) member bank that is affiliated with Synovus. Please refer to the section titled “II. How the Bank Deposit Sweep Program Works” on page 2 for more information.

### *FDIC Deposit Insurance Available on Deposit Accounts*

Funds on deposit at Synovus Bank are eligible for deposit insurance from the FDIC up to \$250,000 (including principal and accrued interest) per depositor in each insurable capacity in which you hold your Account (e.g., individual, joint, corporate, IRA, etc.) in accordance with applicable FDIC rules. Please refer to the section titled “XI. FDIC Insurance” on page 5 for more information.

For purposes of determining the FDIC insurance coverage of your deposits, deposit accounts (including certificates of deposit issued by Synovus Bank) that you establish directly with Synovus Bank or through an intermediary (such as NFS, Synovus or another broker-dealer) will be aggregated with all funds on deposit at Synovus Bank through the Bank Deposit Sweep Program in the same insurable capacity.

**If you have multiple Accounts at Synovus in the same insurable capacity that sweep into Deposit Accounts at Synovus Bank, or if you hold other deposits at Synovus Bank (including certificates of deposit), your funds may exceed FDIC insurance limits at Synovus Bank.**

**You are responsible for monitoring the total amount of deposits that you have with Synovus Bank to determine the extent of FDIC deposit insurance coverage available to you, including deposits held through the Bank Deposit Sweep Program. Neither NFS, Synovus Bank nor their affiliates monitor the amount of your**

**deposited funds to determine whether those amounts exceed the FDIC insurance limits applicable to your deposits at Synovus Bank, and they are not responsible for any insured or uninsured portion of the Deposit Accounts at Synovus Bank.**

For more information on the issues covered in this section, see “XI. FDIC Insurance” on page 5.

### *No SIPC Protection*

Deposit Accounts at Synovus Bank are **not** protected by the Securities Investor Protection Corporation (“SIPC”). See the section titled “XII. Securities Investor Protection Corporation Protection” on page 6.

### *Interest on the Deposit Accounts*

Interest on the Deposit Accounts will be compounded daily and credited monthly. Interest rates paid on the Deposit Accounts may change at any time. Information regarding current interest rates is available online at <https://www.synovus.com/wealth/investment-services/bank-deposit-sweep-program/> or by calling your Financial Advisor. For more information on interest rates on the Deposit Accounts, see “III. Interest Rates” on page 3.

### *Fees and Conflicts of Interest*

Synovus receives an annual fee of \$25 to \$50 from Synovus Bank for each Account that sweeps through the Bank Deposit Sweep Program into Deposit Accounts at Synovus Bank. Synovus will pay a portion of this fee to NFS. Synovus reserves the right to increase, decrease or waive all or part of this fee at any time.

Synovus and Synovus Bank will receive certain additional benefits in connection with the Bank Deposit Sweep Program. For more information, see “IX. Fees” and “X. Additional Benefits to Synovus, Synovus Bank and Their Affiliates” on page 5.

## II. How the Bank Deposit Sweep Program Works

### *Eligibility*

Eligibility for the Bank Deposit Sweep Program is based on your Account type. All Accounts are eligible for the Bank Deposit Sweep Program except ERISA covered plans (e.g., 401(k), Defined Benefit Plan, Profit Sharing) or accounts with a foreign mailing address. These Accounts are not eligible for the Bank Deposit Sweep Program.

If you have questions regarding your eligibility for the Bank Deposit Sweep Program, please contact your Financial Advisor.

Synovus, in its discretion, may deem a customer to be ineligible for the Bank Deposit Sweep Program if Synovus

becomes aware that the entity is prohibited as a matter of law from holding funds at Synovus Bank.

*Deposit Procedures*

When Free Credit Balances in your Core Account are first available to be swept to Synovus Bank, NFS will deposit your funds into Deposit Accounts consisting of a transaction account (“TA”) and a money market deposit account (“MMDA”) at Synovus Bank. NFS will deposit Free Credit Balances into your MMDA. All withdrawals will be made from your TA. Periodically, NFS will transfer funds from your MMDA to your TA as necessary to satisfy purchases, withdrawals and other transactions in your Account. Transfers from your MMDA to your TA and withdrawals from your TA are discussed under “Withdrawal Procedures” below.

*Withdrawal Procedures*

All withdrawals from your Deposit Accounts necessary to satisfy debits in your Account will be made by NFS from your TA. A debit is created to satisfy a securities purchase, fees, or a request for a withdrawal of funds from your Account and, if applicable, when you make payments to other financial institutions via electronic funds transfer. If funds in your TA are insufficient to satisfy a debit, NFS will transfer funds from your MMDA to your TA to satisfy the debit, plus funds to maintain any threshold amount that we and Synovus Bank elect to maintain in your TA. Withdrawals from your Deposit Accounts can only be made by NFS as your agent. You will have no direct access to your Deposit Accounts.

Federal banking regulations limit the number of transfers from an MMDA to six (6) per month (or per statement cycle). At any point during a calendar month in which transfers from your MMDA have reached the applicable limit, all funds will be transferred from your MMDA to your TA until the end of that calendar month. At the beginning of the next calendar month, funds on deposit in your TA will be transferred to your MMDA, less any threshold balance we and Synovus Bank elect to maintain in your TA. The limit on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at Synovus Bank.

*Prior Written Notice of Withdrawal*

As required by federal banking regulations, Synovus Bank reserves the right to require seven (7) days’ prior written notice before permitting a withdrawal or transfer of funds from an MMDA. Synovus Bank has no intention of exercising this right at the present time.

**III. Interest Rates**

Synovus Bank will pay the same rate of interest on your

TA and MMDA. Interest rates will be established periodically by Synovus Bank, based on prevailing business and economic conditions.

Interest rates on the Deposit Accounts are tiered based on the daily collected balance. Customers with higher daily collected balances may receive higher interest rates on their Deposit Accounts than customers with lower daily collected balances. Interest is accrued daily, compounded monthly, and is reflected on your Brokerage Account Statement as of the last business day of the statement period. The interest rate on the entire balance in your account will be paid based on the applicable daily balance tier. Accounts with variable interest rates are subject to change after account opening and without notice.

Interest Rate Tiers for Brokerage Accounts

\$0 - \$9,999
\$10,000 - \$99,999
\$100,000 - \$249,000
\$250,000 - \$499,999
\$500,000 - \$999,999
\$1,000,000 +

The above tiers do not apply to accounts governed by an investment advisory agreement, which pay the same interest rate irrespective of the amount in the core sweep account. We may modify the interest rate tiers at any time in our sole discretion upon notice to you.

Interest rates paid on the Deposit Accounts may change at any time. New interest rates will apply to balances in the Deposit Accounts on the effective date the rates change. Non-business days occurring between Brokerage Account withdrawal and Deposit Account withdrawal and deposit with a Bank will be included in the interest accrual. “Business Day” shall mean any day other than a day on which banks in the State of New York or the Fedwire funds transfer system operated by the Federal Reserve System is closed.

Interest will accrue on the Deposit Account balances from the day funds are deposited at Synovus Bank, which will typically be the business day following the day your Brokerage Account reflects a cash balance. Generally, interest will accrue to Deposit Account balances through the business day preceding the date of withdrawal from your Deposit Accounts at the Bank (which will typically be the day on which a withdrawal of funds is made from your Brokerage Account); interest on Deposit Account balances will be accrued daily, rounded up or down each day to the nearest \$0.01. Interest accrued will be credited to your Deposit Accounts prior to the last Business Day of the month in certain limited circumstances, such as when you close your Accounts intra-month.

**The interest rate on the Deposit Accounts may be higher or lower than the interest rates available to depositors making deposits directly with Synovus Bank or other depository institutions in comparable accounts.** You should compare the terms, interest rates, required minimum amounts, charges and other features of the Deposit Accounts with other accounts and alternative investments.

Information regarding current interest rates is available by calling your Financial Adviser or online at <https://www.synovus.com/wealth/investment-services/bank-deposit-sweep-program/>.

#### **IV. Information about Synovus Bank**

Synovus Bank is chartered by the State of Georgia and regulated by the State of Georgia and the FDIC. Synovus Bank and Synovus are separate but affiliated companies and wholly-owned subsidiaries of Synovus Financial Corp. Synovus Financial Corp. is a bank holding company regulated by the Federal Reserve Board. Upon request, we will provide you with the publicly available financial information you would receive if you established an account directly with Synovus Bank.

In addition, you can obtain publicly available financial information about Synovus Bank by accessing the National Information Center's website at [www.ffiec.gov/nicpubweb/nicweb/nichome.aspx](http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx) or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Room E-1005, Arlington, VA 22226, or by phone at 877-275-3342 or 703-562-2200.

Neither NFS nor Synovus guarantees in any way the financial condition of Synovus Bank or the accuracy of any publicly available financial information concerning Synovus Bank.

#### **V. Information About Your Deposit Accounts**

You will not receive a confirmation of each deposit into and withdrawal from your Deposit Accounts. All activity in your Deposit Accounts, including deposits, withdrawals, opening and closing balances, and any interest earned for the period, will appear on your periodic Account statement.

You can view your Account information and monitor balances in your Account online at any time free of charge by going to your online Wealhscape Investor account. If you do not have a Wealhscape Investor account or do not know how to access it, please contact your Financial

Advisor or Synovus at 800-796-3456.

#### **VI. Changes to the Bank Deposit Sweep Program**

We may modify or terminate the Bank Deposit Sweep Program at any time in our sole discretion. Modifications to the Bank Deposit Sweep Program may include, but are not limited to, changing the terms and conditions and adding or eliminating depository institutions.

We will notify you in advance of any material changes to, or the termination of, the Bank Deposit Sweep Program. If additional depository institutions are added to the Bank Deposit Sweep Program, we will give you the opportunity to designate new depository institutions as ineligible to receive your deposits before any funds are deposited into a new depository institution.

If we eliminate the Bank Deposit Sweep Program or you become ineligible for the Bank Deposit Sweep Program, upon advance notice to you, your funds may be withdrawn from your Deposit Accounts and placed in another Core Account Investment Vehicle in accordance with applicable law and the Customer Agreement.

#### **VII. Notices**

All notices to you regarding the Bank Deposit Sweep Program may be by means of a letter, an entry on your periodic Account statement, an entry on a trade confirmation or by any means set forth in the Customer Agreement.

#### **VIII. Your Relationship with NFS, Synovus and Synovus Bank**

Under the Bank Deposit Sweep Program, NFS acts as your agent in establishing Deposit Accounts at Synovus Bank, and depositing funds into them and withdrawing funds from them. You will not have a direct account relationship with Synovus Bank.

Your ownership of the Deposit Account will be evidenced by a book entry on the records of Synovus Bank, and by records maintained by NFS as your custodian. No passbook, certificate or other evidence of ownership will be issued to you. As discussed above, your periodic Account statements will reflect the balances in your Deposit Accounts at Synovus Bank. You should retain the statements for your records.

Each Deposit Account at Synovus Bank constitutes an obligation only of Synovus Bank, and is not guaranteed directly or indirectly by NFS, Synovus or any of their other subsidiaries or affiliates.

Publicly available financial information about Synovus Bank is available at <http://www.ffiec.gov/nicpubweb/nicweb/NicHome.aspx> or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 877-275-3342 or 703-562-2200.

**Synovus may, in its sole discretion and without notice, terminate your participation in the Bank Deposit Sweep Program at any time. Similarly, you may terminate your participation in the Bank Deposit Sweep Program at any time by contacting your Financial Advisor.**

**In either case, you may establish a direct relationship with Synovus Bank, subject to the policies of Synovus Bank, by requesting to have the Deposit Accounts established in your name. This will result in the separation of the Deposit Accounts from your Account.**

#### **IX. Fees**

Synovus will receive an annual fee from Synovus Bank of \$25 to \$50 for each Account that sweeps into Deposit Accounts at Synovus Bank. Synovus will pay a portion of this fee to NFS. Synovus reserves the right to increase, decrease or waive all or part of this fee at any time.

Other than applicable fees and charges imposed by Synovus on your Account, which are described in the Commission and Fee Schedule provided to you in connection with your Account, there will be no charge, fee or commission imposed on your Account with respect to the Bank Deposit Sweep Program.

#### **X. Additional Benefits to Synovus, Synovus Bank and Their Affiliates**

Synovus Bank uses the cash balances in the Deposit Accounts to fund new lending and investment activity. Synovus Bank will seek to make a profit by achieving a positive "spread," or difference, between (a) the sum of the amount of interest that it pays for deposits, and (b) the sum of the amount of interest that it charges for loans and the return on investments made with any deposits that it does not need to fund loans.

As with other depository institutions, the profitability of Synovus Bank is determined largely by the difference between the interest paid and the costs associated with its deposits, and the interest or other income earned on its loans, investments and other assets.

Like other depository institutions, Synovus Bank improves its profitability when it lowers the interest rates paid on

its deposits, including the Deposit Accounts. Synovus Bank has no obligation to pay interest based upon its profitability or the income earned on its loans, investments or other assets.

#### **XI. FDIC Insurance**

##### *General Information*

Balances in the Deposit Accounts (principal plus accrued interest) are insured by the FDIC, an independent agency of the U.S. Government, up to \$250,000 per depositor in each insurable capacity at Synovus Bank. Examples of separate insurable capacities are: individual accounts, joint accounts, IRAs and certain trust arrangements.

Your funds become eligible for deposit insurance immediately upon placement into a Deposit Account at Synovus Bank. Generally, any accounts or deposits that you may maintain directly with Synovus Bank, or through any other intermediary (such as NFS, Synovus or another broker-dealer), in the same insurable capacity in which the Deposit Accounts are maintained would be aggregated with the Deposit Accounts for purposes of the \$250,000 federal deposit insurance limit.

You are responsible for monitoring the total amount of deposits that you hold with Synovus Bank, directly or through an intermediary, in order to determine the extent of deposit insurance coverage available to you on your deposits, including the Deposit Accounts. Neither NFS nor Synovus is responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits.

In the event Synovus Bank fails, the Deposit Accounts are insured, up to \$250,000, for principal and interest accrued to the day Synovus Bank is closed.

Under certain circumstances, if you become the owner of deposits at Synovus Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the \$250,000 federal deposit insurance limit with any other deposits that you own in the same insurable capacity at Synovus Bank. Examples of deposit accounts that may be subject to this FDIC policy include joint accounts, "payable on death" accounts and certain trust accounts. The FDIC provides the six-month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available, and NFS and Synovus are under no

obligation to credit your Account with funds in advance of payments received from the FDIC.

Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts or other deposits at Synovus Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be insured separately, up to the FDIC insurance coverage limits, from the deposits that you might have established with the acquiror until (i) the maturity date of any time deposits (including certificates of deposit) that were assumed, or (ii) with respect to deposits that are not time deposits, the expiration of a six-month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiror held in the same capacity for purposes of FDIC insurance coverage. Any deposit opened at the acquiror after the acquisition will be aggregated with deposits established with the acquiror for purposes of FDIC insurance coverage.

#### *Questions about FDIC Deposit Insurance Coverage*

If you have questions about basic FDIC insurance coverage, please contact your Financial Advisor. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC:

- By mail: Deposit Insurance Outreach, Division of Depositor and Consumer Protection  
550 17th Street N.W., Washington, D.C. 20429
- By phone: 877-275-3342 or 800-925-4618 (TDD)
- By e-mail: via the FDIC's Online Customer Assistance Form, available at: [www.fdic.gov/contact](http://www.fdic.gov/contact)
- Online: [www.fdic.gov/deposit/index.html](http://www.fdic.gov/deposit/index.html)

## **XII. Securities Investor Protection Corporation Protection**

Securities in your Account(s) carried by NFS are protected by SIPC up to \$500,000, including \$250,000 for Free Credit Balances in the unlikely event that NFS fails financially. SIPC asset protection limits apply, in the aggregate, to all Accounts that you hold in a particular legal capacity.

Deposit Accounts held in your Account are not protected by SIPC. If you have questions about SIPC coverage, please contact your Financial Adviser. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at [www.sipc.org](http://www.sipc.org).