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Comptroller of the Currency  
Administrator of National Banks

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Southeastern District  
Marquis One Tower, Suite 600  
245 Peachtree Center Ave., N.E.  
Atlanta, Georgia 30303

April 29, 2002

**Conditional Approval #520**  
**May 2002**

George G. Flowers, President  
Synovus Trust Company  
P. O. Box 120  
Columbus, GA 31902

Re: Application to convert Synovus Trust Company, Columbus, GA, into a national bank to be entitled Synovus Trust Company, National Association ("Bank")  
Application Control Number: 2002-SE-01-0005

Dear Mr. Flowers:

The Comptroller of the Currency (OCC) has reviewed the subject application. After a thorough review of all information available, including the representations and commitments made in the application and by the applicant's representatives, we find that your application meets the requirements for conditional approval to convert to a national bank that will engage solely in fiduciary activities. We made our decision to grant conditional approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and will not be FDIC-insured.

This conditional approval is subject to the following "conditions imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818 and, as such, are enforceable under 12 U.S.C. § 1818.

1. Upon conversion, the Bank's Tier 1 capital shall be no less than \$14.5 million.
2. At all times after conversion, the Bank shall maintain a minimum of \$10.4 million in Tier 1 capital.
3. If the Bank fails to maintain Tier 1 capital in the amount of at least \$10.4 million, it shall be deemed "undercapitalized," for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6, and the OCC shall have the authority to take any action authorized under all provisions of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 applicable to an undercapitalized national bank. For purposes of section 1831o(e)(5), an action "necessary to carry out the purpose of this section" shall include restoration of the Bank's capital so that it is not "undercapitalized," and any other

action deemed advisable by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.

4. The Bank shall obtain the prior nonobjection from the OCC's District Deputy Comptroller for the Southeastern District before implementing any significant change to its existing operations that is not the subject of an application filed with the OCC for our prior approval. The Bank must notify the District Deputy Comptroller for the Southeastern District at least sixty (60) days prior to any proposed significant change to existing operations requiring such nonobjection. For a description of significant changes, please refer to the OCC's PPM 5400-9, September 3, 2000.

The Bank is reminded that we expect it to maintain adequate capital and liquidity as set forth in OCC Bulletin 2000-26, dated September 28, 2000. Please be advised that we are currently reviewing our capital and liquidity policy with respect to national banks exercising solely fiduciary activities. Should there be a change to our policy as a result of the review, we will advise you accordingly. In addition, if through future acquisitions, growth, or otherwise, the Bank's trust assets increase significantly, or if the Bank assumes additional risk, the OCC may require the Bank to hold additional capital. In acting on future applications, we would expect to raise the capital levels set forth in the above conditions if growth in trust assets or risks warrant.

The OCC also has no objection to the following directors and executive officers, who may assume their positions immediately upon conversion:

Walter M. Deriso, Jr.	Director and Chairman of the Board
John S. Avant	Director
James H. Blanchard	Director
Charles W. Burgin	Director
George G. Flowers	Director, President, and Chief Executive Officer
Gardiner W. Garrard, Jr.	Director
Frederick D. Jefferson	Director
William G. Perkins	Director
Marvin R. Schuster	Director
James D. Yancey	Director
Samuel M. Wellborn, III	Director

You are reminded that the following are required before the effective date of the conversion:

1. The institution must purchase adequate fidelity bond coverage in accordance with 12 CFR 7.2013, which lists four factors the directors should consider to determine adequacy.

2. If a director, officer, employee, or principal shareholder of the Bank (including an entity in which such person owns an interest of 10 percent or more) is involved in the sale of credit life insurance to loan customers, the Bank should ensure compliance with 12 CFR 2, which among other things, prohibits a covered person from retaining commissions or other income from the sale of credit life insurance connected with any loan the Bank makes.
3. The board of directors must adopt and have in place policies, practices, and procedures to ensure the safe and sound operation of the Bank. The board also must review those policies, practices, and procedures continually and ensure bank compliance with them.
4. The limitations of the Bank's activities must be fully enumerated in the Bank's Articles of Association. Specifically, the articles must state clearly that: 1) the business of the association will be limited to that of a national bank that functions solely in a trust or fiduciary capacity; and 2) the Bank must obtain the prior written approval before amending its Articles of Association to expand the scope of its activities and services.
5. The converting institution must obtain any other required regulatory approvals. Please provide us with a copy of your application to purchase Federal Reserve Bank stock.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

The trust officers should become thoroughly familiar with "Fiduciary Activities for National Banks" at 12 CFR 9 and 12 CFR 5.26. Management is reminded that 12 CFR 5.26 requires a national bank which already has approval to engage in fiduciary activities to provide written notice to the OCC when commencing fiduciary activities in a new state. The Bank will also need to develop and implement a fiduciary audit program as required by 12 CFR 9.

This approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agency of the OCC or the U.S.

This approval expires if the conversion has not occurred within six months. The OCC is opposed to granting extensions, except under the most extenuating circumstances and expects the conversion to occur as soon as possible. Upon conversion, please submit a letter certifying that you have completed all steps required to convert to a national banking association (sample

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enclosed). Following receipt of this letter, we will acknowledge the bank's notification of its intent to open trust offices in Alabama, Florida and South Carolina.

If you have any questions, please feel free to contact Senior Licensing Analyst Louis Gittleman or me at (404) 588-4525.

Sincerely,

**-signed-**

John O. Stein  
Licensing Manager