



Resolution Plan
Public Executive Summary
2021
165(d)

Forward Looking Information

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, regarding the financial condition, results of operations, business plans and the future performance of Truist. Words such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “projects,” “may,” “will,” “should,” “would,” “could” and other similar expressions are intended to identify these forward-looking statements. Forward-looking statements are not based on historical facts but instead represent management's expectations and assumptions regarding Truist's business, the economy, and other future conditions. Such statements involve inherent uncertainties, risks, and changes in circumstances that are difficult to predict. As such, Truist's actual results may differ materially from those contemplated by forward-looking statements. Forward-looking statements involve certain risks and uncertainties and are based on the beliefs and assumptions of the management of Truist, and the information available to management at the time that this document was prepared.

Factors that may cause actual results to differ materially from those contemplated by such forward looking statements are more fully described in Truist’s Annual Report on Form 10-K for the year ended December 31, 2020 and Truist’s Quarterly Reports on Form 10-Q under the section entitled Item 1A “Risk Factors”, and from time to time, in other filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Actual results may differ materially from those expressed in, or implied by, any forward-looking statements. Except to the extent required by applicable law or regulation, Truist undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

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Section 1: Introduction

To promote financial stability, section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), the 2018 Economic Growth, Regulatory Relief, and Consumer Protection Act (“2018 Act”), and the related rule (“165(d) Rule”),¹ require each bank holding company with consolidated assets of greater than \$250B and less than \$700B (“Covered Company”) to periodically submit to the Board of Governors of the Federal Reserve System (“Federal Reserve”) and the Federal Deposit Insurance Corporation (“FDIC”), a plan for that company’s rapid and orderly resolution in the event of material financial distress or failure (“Resolution Plan”). As such, and due to its size, Truist Financial Corporation is a Covered Company and is, therefore, required to submit a resolution plan under the Dodd-Frank Act and the 165(d) Rule (“165(d) Resolution Plan”) as revised.

In the unlikely event of material financial distress or failure, Truist’s² 165(d) Resolution Plan provides for the resolution of Truist Financial Corporation and its Material Entities (listed in Section 2), in a rapid and orderly way, without posing systemic risk to the larger financial system and without the need for extraordinary government support. The 165(d) Resolution Plan includes resolution strategies involving liquidation under the United States Bankruptcy Code (the “Bankruptcy Code”) and receivership under the Federal Deposit Insurance Act (“FDIA”), as amended.

In conformance with the 165(d) Rule, and guidance provided by the Federal Reserve, Truist’s 165(d) Resolution Plan assumes a series of hypothetical material financial events that specifically and singularly affects specific Core Business Lines³ of Truist (*i.e.*, idiosyncratic events), that the idiosyncratic events occur at a time when general macroeconomic conditions are consistent with the severely adverse economic scenario,⁴ and that Truist has not taken steps to

¹ The current final rule was published by the Board of Governors of the Federal Reserve on October 3, 2019.

² Truist refers to Truist Financial Corporation and its subsidiaries collectively.

³ As defined by the 165(d) Rule, Core Business Lines means “those business lines of the covered company, including associated operations, services, functions, and support that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value.”

⁴ 2021 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule published by the Board of Governors of the Federal Reserve System on February 12, 2021.

enhance its capital or liquidity position. In addition, Truist qualitatively considers the impact of the idiosyncratic events on Truist during baseline and adverse economic scenarios.

Unless otherwise indicated, information provided in this Public Section⁵ is as of December 31, 2020.

Business Overview

Truist, one of the largest financial services holding companies in the U.S., had approximately \$509 billion in assets and a market capitalization of \$64.7 billion, as of December 31, 2020.

Truist Bank, Truist's primary banking subsidiary and its largest subsidiary, traces its history to 1872 and is the oldest bank headquartered in North Carolina. Truist Bank provides a wide range of banking and trust services for retail and commercial clients in its geographic markets, including small and mid-size businesses, public agencies, local governments, and individuals, through approximately 2,781 offices. Truist Bank is organized as a group of community banking regions, each with a regional president, which provides for local decision making and close proximity to the client.

On February 7, 2019, Truist entered into an agreement and plan of merger, by and between Truist⁶ and SunTrust Banks, Inc. ("SunTrust"), pursuant to which SunTrust was to merge with and into Truist, with Truist as the surviving entity in the merger. Immediately following the merger, SunTrust's wholly owned subsidiary, SunTrust Bank, was to merge with and into Branch Banking and Trust Company, with Branch Banking and Trust Company as the surviving entity (subsequently renamed "Truist Bank"). Under the terms of the merger agreement, shareholders of SunTrust received 1.295 shares of Truist common stock for each share of SunTrust common stock. Both companies' Boards of Directors unanimously approved the merger agreement. Following regulatory approvals and approvals by the shareholders of each company, the merger closed on December 6, 2019.

⁵ The Public Section refers to the respective public executive summary required under the Rules.

⁶ At the time of announcement, Truist operated as BB&T Corporation. Truist Bank previously operated as Branch Banking and Trust Company.

Truist Financial Corporation operates its business through three reportable operating segments, (as identified in its 2020 Annual Report on Form 10-K filed February 24, 2021):

- **Consumer Banking and Wealth** serves retail and small business clients by offering a variety of loan and deposit products, payment services, bankcard products and other financial services by connecting clients to a wide range of financial products and services;
- **Corporate and Commercial Banking** serves large, medium, and small business clients by offering a variety of loan and deposit products and connecting the client with the combined organization's broad array of financial services. Corporate and Commercial Banking includes commercial real estate lending, commercial and industrial lending, corporate banking, investment banking, sales and trading, asset based-lending, dealer inventory financing, tax exempt financing, cash management and treasury services, and commercial deposit products; and
- **Insurance Holdings** includes Truist's insurance agency / brokerage network - one of the largest in the world. Insurance Holdings provides property and casualty, employee benefits and life insurance to businesses and individuals. It also provides small business and corporate services, such as workers compensation and professional liability, as well as surety coverage and title insurance. Insurance Holdings includes Truist Insurance Holdings, Inc. and Prime Rate Premium Finance Corporation, Inc. which includes AFCO Credit Corporation and CAFO Inc., insurance premium finance subsidiaries that provide financing to individuals and businesses in the United States and Canada.

A fourth segment, Other, Treasury & Corporate is the combination of 1) operating entities that do not meet the quantitative or qualitative thresholds for disclosure; 2) Truist's Corporate Treasury function, which is responsible for the management of the investment securities portfolios, overall balance sheet funding and liquidity, and overall management of interest rate risk; 3) the corporate support functions that have not been allocated to the business segments; and 4) certain merger-related charges or credits that are incurred as part of the acquisition and conversion of acquired entities; certain charges that are considered to be unusual in nature and not reflective of the normal operations of the segments; and intercompany eliminations including

intersegment net referral fees in noninterest income and net intersegment interest income (expense).

Under the requirements of the Dodd-Frank Act and the 165(d) Rule, Truist Financial Corporation is required to have a comprehensive plan that provides for resolution under the Bankruptcy Code and other applicable insolvency regimes for other Material Entities, in a rapid and orderly manner that Truist believes would not pose systemic risk to the U.S. financial system. Truist submitted its 165(d) Resolution Plan in accordance with the requirements of the 165(d) Rule. In the unlikely event that Truist Financial Corporation were to default on its obligations, or be in danger of default, and neither its recovery plan nor another private sector alternative was available to prevent the default, the 165(d) Resolution Plan provides for the continuation of Truist Financial Corporation's business operations and the orderly transfer of Truist Financial Corporation and its subsidiaries' clients, client accounts, client securities, and other property to other providers with minimal disruption. The 165(d) Resolution Plan allows for Truist Financial Corporation to be resolved under the Bankruptcy Code (or other applicable resolution regimes), without requiring extraordinary government support.

Section 2: The Names of Material Entities

As defined by the 165(d) Rule, a Material Entity means “a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation⁷ or core business line”.⁸ Truist has identified the following Material Entities for the 165(d) Resolution Plan:

- **Truist Financial Corporation** is the financial holding company and parent company for Truist, and is considered the Covered Company under the Section 165(d) Rule and a Material Entity under the IDI Rule. Truist Financial Corporation is incorporated under North Carolina law, and is subject to supervision by the Federal Reserve.
- **Truist Bank** is a wholly owned, state-chartered banking subsidiary of Truist Financial Corporation and, for purposes of the 165(d) Rule, is the IDI. Truist Bank is a commercial bank that provides a wide range of products and services including traditional banking, specialized lending, insurance, and investment and trust services for retail and commercial clients through branches within its traditional bank footprint. Truist Bank is subject to supervision by the FDIC, the North Carolina Office of the Commissioner of Banks (“NCCOB”), and the Consumer Financial Protection Bureau (“CFPB”).
- **Truist Insurance Holdings, Inc.** is a wholly owned subsidiary of Truist Bank and offers a wide variety of insurance products nationwide through Truist Insurance Holdings’ various subsidiaries. Truist Insurance Holdings serves as the holding company for most of the insurance operations within Truist. Truist Insurance Holdings is subject to supervision by various state insurance commissioners.

⁷ As defined by the 165(d) Rule, Critical Operations means “those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which, in the view of the covered company or as jointly directed by the Federal Reserve and the FDIC, would pose a threat to the financial stability of the United States.”

⁸ As defined by the 165(d) Rule, Core Business Lines means “those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value.”

Section 3: Description of Core Business Lines

Truist is a values-driven, highly profitable growth organization offering a full range of consumer and commercial banking, investment banking, securities brokerage, asset management, mortgage, and insurance products and services. Truist provides these products and services through various operating segments. Truist determined that its three reportable operating segments meet the definition of a Core Business Line for the 165(d) Resolution Plan.

Descriptions of these Core Business Lines are as follows:

Consumer Banking and Wealth

Comprised of five primary businesses:

Retail Community Banking provides banking, borrowing, investing, and insurance solutions, and advice through Premier Banking, to individuals and small business clients through an extensive network of branches and ATMs, digital channels and contact centers. Financial products and services offered include deposits and payments, credit cards, loans, mortgages, brokerage and investment advisory services and insurance solutions. Consumer Banking also serves as an entry point for clients and services for other businesses.

National Consumer Finance and Payments provides a comprehensive set of technology-enabled lending solutions to individuals and small businesses through several national channels including LightStream, Sheffield, and certain point-of-sale lending partnerships. National Consumer Finance and Payments also provides merchant services and payment processing solutions to business clients in the community bank.

Wealth provides a full array of wealth management and banking products and professional services to individuals and institutional clients, including trust, brokerage, professional investment advisory, loans, and deposits services to clients seeking active management of their financial resources. Institutional clients are served by the Institutional Investment Management Group. Full service and online / discount brokerage products are offered to individual clients; additionally, investment advisory products and services are offered to clients through an SEC registered investment advisor. Wealth also includes GenSpring Family Office Advisory Services, LLC, which provides family office solutions to clients and their families to help them

manage and sustain wealth across multiple generations, including family meeting facilitation, consolidated reporting, expense management, specialty asset management and business transition advice, as well as other wealth management disciplines.

Mortgage Banking offers residential mortgage products nationally through its retail and correspondent channels, the internet, and by telephone. These products are either sold in the secondary market, typically with servicing rights retained, or held in the Company's loan portfolio. Mortgage Banking also services loans held in the Company's loan portfolio as well as those held by third party investors. Mortgage also includes Mortgage Warehouse Lending, which provides short-term lending solutions to finance first-lien residential mortgage LHFS by independent mortgage companies.

Dealer Retail Services originates loans to individuals on a prime and nonprime basis for the purchase of automobiles. Such loans are originated on an indirect basis through approved franchised and independent automobile dealers throughout the Truist market area and nationally through Regional Acceptance Corporation. Additionally, Dealer Retail Services originates loans for the purchase of boats and other recreational vehicles through dealers in Truist's market area.

Corporate and Commercial Banking

Comprised of four primary businesses along with the Treasury Solutions product group:

Corporate and Investment Banking delivers a comprehensive range of strategic advisory, capital raising, risk management, financing, liquidity and investment solutions, with the goal of serving the needs of both public and private companies in the Corporate and Commercial Banking Core Business Line. Investment Banking and Corporate Banking teams within Corporate and Investment Banking serve clients across the nation, offering a full suite of traditional banking and investment banking products and services. Investment Banking serves select industry segments including consumer and healthcare, energy, technology, financial services, industrials, and media and communications. Corporate Banking serves clients across diversified industry sectors based on size, complexity, and frequency of capital markets issuance.

Commercial Community Banking offers an array of traditional banking products, including lending, deposits, cash management and investment banking solutions via Corporate and

Investment Banking to commercial clients (generally clients with revenues between \$5 million and \$500 million), including not-for-profit organizations, governmental entities, healthcare and aging services and auto dealer financing (floor plan inventory financing). Local teams deliver these solutions along with the Company's industry expertise to commercial clients to help them achieve their goals.

Commercial Real Estate provides a range of credit and deposit services as well as fee-based product offerings to developers, operators, and investors in commercial real estate properties through its National Banking Division. Additionally, Commercial Real Estate offers tailored financing and equity investment solutions for community development and affordable housing projects, with particular expertise in Low Income Housing Tax Credits and New Market Tax Credits. Real Estate Corporate and Investment Banking targets relationships with publicly-traded and privately owned Real Estate Investment Trusts.

Grandbridge Real Estate Capital, LLC is a fully integrated commercial mortgage investment banking company that originates commercial and multi-family real estate loans, services loan portfolios and provides asset and portfolio management as well as real estate brokerage services. Additionally, the Investor Services Group offers loan administration, special servicing, valuation and advisory services to third party clients.

Treasury Solutions provides business clients in the Corporate and Commercial Banking and Consumer Banking and Wealth segments with services required to manage their payments and receipts, combined with the ability to manage and optimize their deposits across all aspects of their business. Treasury Solutions offers all electronic and paper payment types, including card, wire transfer, ACH, check, and cash. It also provides clients the means to manage their accounts electronically online, both domestically and internationally.

Insurance Holdings

Truist's Insurance Holdings Core Business Line is one of the largest insurance agency / brokerage networks, providing property and casualty, employee benefits and life insurance to businesses and individuals. It also provides small business and corporate services, such as workers compensation and professional liability, as well as surety coverage and title insurance. Insurance Holdings also includes Prime Rate Premium Finance Corporation, which includes

AFCO Credit Corporation and CAFO Holding Company, insurance premium finance subsidiaries that provide funding to businesses in the United States and Canada.

Section 4: Summary Financial Information**Truist Financial Corporation Financial Highlights**

Tables 1 and 2 present Truist Financial Corporation's Summarized Consolidated and Parent Only Balance Sheets as of December 31, 2020 and 2019 respectively. The amounts were derived from the consolidated balance sheets included in Truist Financial Corporation's Annual Report on Form 10-K, and include certain reclassifications to conform to Truist's current presentation. For a more detailed discussion on the Consolidated Balance Sheets, please refer to Truist Financial Corporation's 2020 Annual Report on Form 10-K and other Truist reports filed pursuant to the Securities Exchange Act of 1934.⁹

⁹ For more detailed information, and to view the complete filings, see www.sec.gov.

Table 1: Truist Financial Corporation Summarized Consolidated Balance Sheets
(Dollars in millions)

Assets	<u>2020</u>	<u>2019</u>
Cash and due from banks	5,029	4,084
Interest-bearing deposits with banks	13,839	14,981
Securities borrowed or purchased under resale agreements	1,745	1,417
Trading assets at fair value	3,872	5,733
AFS securities at fair value	120,788	74,727
LHFS (including \$4,955 and \$5,673 at fair value, respectively)	6,059	8,373
Loans and Leases	299,734	299,842
ALLL	<u>(5,835)</u>	<u>(1,549)</u>
Loans and Leases, net of ALLL	293,899	298,293
Premises and equipment	3,870	3,712
Goodwill	24,447	24,154
CDI and other intangible assets	2,984	3,142
MSRs (including \$2,023 and \$2,618 at fair value, respectively)	2,023	2,630
Other assets (including \$4,891 and \$3,310 at fair value, respectively)	<u>30,673</u>	<u>31,832</u>
Total Assets	<u><u>509,228</u></u>	<u><u>473,078</u></u>
Liabilities		
Noninterest-bearing deposits	127,629	92,405
Interest-bearing deposits	253,448	242,322
Short-term borrowings (including \$1,115 and \$1,074 at fair value, respectively)	6,092	18,218
Long-term debt	39,597	41,339
Other Liabilities (including \$555 and \$366 at fair value, respectively)	<u>11,550</u>	<u>12,236</u>
Total Liabilities	<u><u>438,316</u></u>	<u><u>406,520</u></u>
Shareholders' Equity		
Preferred stock, \$5 par value, liquidation preference of \$25,000 per share	8,048	5,102
Common stock, \$5 par value	6,745	6,711
Additional paid-in capital	35,843	35,609
Retained earnings	19,455	19,806
AOCI, net of deferred income taxes	716	(844)
Noncontrolling interests	<u>105</u>	<u>174</u>
Total shareholders' equity	<u><u>70,912</u></u>	<u><u>66,558</u></u>
Total liabilities and shareholders' equity	<u><u>509,228</u></u>	<u><u>473,078</u></u>

The Notes to the Consolidated Financial Statements included in Truist's Annual Report on Form 10-K are an integral part of the financial statements.

Table 2: Truist Financial Corporation Summarized Balance Sheets (Parent Only)

(Dollars in millions)

	December 31	
	2020	2019
<u>Assets</u>		
Cash and Due from Banks	\$ 688	\$ 361
Interest-bearing deposits with Banks	13,434	12,031
AFS Securities at Fair Value	82	137
Advances to /Receivables from Subsidiaries		
Banking	2,541	1,350
Non-Bank	3,734	3,735
Total advances to / receivables from subsidiaries	6,275	5,085
Investment In Subsidiaries		
Banking	65,641	64,206
Non-Bank	4,296	3,856
Total Investment in Subsidiaries	69,937	68,062
Other Assets	313	655
Total Assets	<u>\$90,729</u>	<u>\$86,331</u>
<u>Liabilities and Shareholders' Equity</u>		
Short-term borrowings	\$ 621	\$ 603
Long-Term Debt	18,890	18,130
Other liabilities	306	1,040
Total Liabilities	19,817	19,773
Total Shareholders' Equity	70,912	66,558
Total Liabilities and Shareholders' Equity	<u>\$90,729</u>	<u>\$86,331</u>

Truist Financial Corporation Capital Ratios

The regulatory capital ratios of Truist Financial Corporation for December 31, 2020 and 2019 are provided in Table 3.

Table 3: Truist Financial Corporation Capital Ratios

Truist Financial Corporation Capital Ratios	December 31,	
	2020	2019
Risk-based:		
Common equity Tier 1 to risk-weighted assets	10.0%	9.5%
Tier 1 Capital to risk-weighted assets	12.1%	10.8%
Total Capital to risk-weighted assets	14.5%	12.6%

Truist Financial Corporation Capital Ratios	December 31,	
	2020	2019
Leverage Ratio ¹⁰	9.6%	14.7%
Supplementary Leverage Ratio ¹¹	8.7%	N/A

Table 4 presents Truist Bank's Summarized Consolidated Balance Sheets as of December 31, 2020 and 2019. This summarized information has been presented on the same basis as Truist's financial information in Table 1. For additional information, please refer to Truist Bank's 2020 and 2019 FFIEC-031 Annual Consolidated Reports of Condition and Income.¹²

Truist Bank Financial Highlights

Table 4: Truist Bank Summarized Consolidated Balance Sheets

(Unaudited, dollars in millions)

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Assets		
Cash, cash equivalents and due from banks	5,079	4,221
Interest-bearing deposits with banks	13,627	14,832
Trading assets	1,918	3,299
Securities available for sale at fair value	120,700	74,589
Loans held for sale	6,013	8,323
Loans and leases held for investment	295,056	295,320
Allowance for loan and lease losses	(4,940)	(1,277)
Loans and leases held for investment, net of allowance	290,116	294,043
Premises and equipment	3,523	3,357
Goodwill	24,087	23,907
Core deposit and other intangible assets	2,842	3,002
Mortgage servicing rights at fair value	2,023	2,630
Other assets	29,016	29,053
Total assets	<u>498,944</u>	<u>461,256</u>
Liabilities and Shareholders' Equity		
Deposits:		
Noninterest-bearing deposits	128,700	92,990
Interest-bearing deposits	267,081	254,468
Total deposits	<u>395,781</u>	<u>347,458</u>

¹⁰ The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the merger impacted the 4Q19 result.

¹¹ Truist became subject to the supplementary leverage ratio as of January 1, 2020.

¹² Further detail is available at www.FFIEC.gov.

Short-term borrowings	3,257	15,095
Long-term debt	22,958	23,509
Accounts payable and other liabilities	11,211	10,988
Total liabilities	433,307	397,050
Shareholders' equity	65,637	64,206
Total liabilities and shareholders' equity	498,944	461,256

Table 5 presents capital information for Truist Bank as of December 31, 2020 and 2019.

Table 5: Truist Bank Capital Ratios

Truist Bank Capital Ratios	December 31,	
	2020	2019
Risk-based:		
Common equity Tier 1 to risk-weighted assets	11.0%	10.6%
Tier 1 Capital to risk-weighted assets	11.0%	10.6%
Total Capital to risk-weighted assets	13.0%	12.0%
Leverage Ratio ¹³	8.7%	14.5%
Supplementary Leverage Ratio ¹⁴	7.5%	N/A

Capital Management

Truist is strongly committed to maintaining a robust capital adequacy assessment process and operating in a safe and sound manner. Historically, Truist has operated well in excess of minimum capital requirements.

Truist has a comprehensive capital planning process that is capable of evaluating Truist's capital needs in normal and stressed conditions, as well as evaluating the impact that strategic acquisitions would have on its current and forecasted capital position. Truist's capital planning process is fully integrated into its corporate risk governance process including active Board and Executive Leadership participation, a dedicated capital planning function, visibility in senior risk committees, and integration with Truist's risk appetite.

¹³ The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the merger impacted the 4Q19 result.

¹⁴ Truist Bank became subject to the supplementary leverage ratio as of January 1, 2020.

Truist performs stress testing on its capital levels annually, at a minimum, and is required to submit its capital plans to the banking regulators. Truist's capital deployment plan, in order of preference, is to focus on organic growth, dividends, strategic opportunities, and share repurchases.

The maintenance of appropriate levels of capital is a management priority and the level of capital is monitored and evaluated on a regular basis. Truist's principal goals related to the maintenance of capital are to provide adequate capital to support Truist's risk profile consistent with the Board-approved risk appetite; provide financial flexibility to support future growth and client needs; comply with relevant laws, regulations, and supervisory guidance; achieve optimal credit ratings for Truist Financial Corporation and its subsidiaries; and provide a competitive return to shareholders.

Management regularly monitors the capital position of Truist on both a consolidated and bank-level basis. In this regard, management's overriding policy is to maintain capital at levels that are in excess of internal capital targets, which are above the regulatory "well capitalized" minimums. Management has implemented stressed capital ratio minimum targets to evaluate whether capital ratios calculated after the effect of alternative capital actions are likely to remain above minimums specified by the Federal Reserve for the annual capital planning and Comprehensive Capital Analysis and Review ("CCAR") process. Breaches of stressed minimum targets prompt a review of the planned capital actions included in Truist's capital plan.

During the second quarter of 2020, as market conditions evolved in light of the COVID-19 pandemic, Truist's Board of Directors approved interim capital operating targets that provide for sufficient capital levels while allowing the company to support clients through the economic downturn. These interim operating targets were still in place as of December 31, 2020. Table 6 presents Truist's internal capital targets.

Table 6: Truist’s Internal Capital Guidelines

Truist’s Internal Capital Guidelines	Interim Operating	Stressed
Common Equity Tier 1 Ratio	8.0%	7.2%
Tier 1 Capital Ratio	9.3%	8.7%
Total Risk Based Capital Ratio	11.3%	10.7%
Leverage Capital Ratio	7.5%	7.0%
Supplementary Leverage Ratio	6.5%	6.0%

Liquidity Planning and Funding

Liquidity Planning

Truist undertakes comprehensive liquidity planning to ensure the availability of liquidity to support its ongoing operations. Truist uses the following tools to ensure the availability of liquidity to meet client needs:

- Cash flow forecasts including inflows and outflows at Truist Bank and Truist Financial Corporation over a two-year horizon;
- A buffer of high quality liquid assets and cash sufficient to cover 30 days of net cash outflows under stress conditions;
- Cash reserves at Truist Financial Corporation sufficient to cover one-year of contractual cash outflow assuming no inflows;
- Monthly simulations that stress the liquidity position through a variety of adverse scenarios, including the potential for deposit clients to withdraw deposits in significant quantity, and annual testing of its contingency funding plan using a simulation exercise; and
- Liquidity assumptions reflected into the CCAR stress testing process used to measure capital adequacy. This allows the firm to test liquidity vulnerability under extreme stress conditions.

Funding

Truist considers deposits to be its primary source of funds for lending and investing activities. Scheduled payments, prepayments, and maturities from Truist’s portfolios of loans and

investment securities also provide a stable source of funds. Federal Home Loan Bank (“FHLB”) advances, other secured borrowings, Federal funds purchased and other short-term borrowed funds, as well as longer-term debt issued through the capital markets, all provide supplemental liquidity sources. Truist’s funding activities are monitored and governed through Truist’s overall asset / liability management process.

Truist prudently manages cash levels at the Parent Company to cover a minimum of one year of projected contractual cash outflows which includes unfunded external commitments, debt service, preferred dividends, scheduled debt maturities and an assumption of continued common dividends, without the benefit of any new cash infusions. Generally, Truist maintains a significant buffer above the projected one year of contractual cash outflows. In determining the buffer, Truist considers cash requirements for common and preferred dividends, unfunded commitments to affiliates, being a source of strength to its banking subsidiaries, and being able to withstand sustained market disruptions that could limit access to the capital markets. As of December 31, 2020 and 2019, Truist Financial Corporation had 22 months and 20 months, respectively, of cash on hand to satisfy projected contractual cash outflows including dividend payments.

The following is a brief description of the various sources of funds available to and used by Truist.

Deposits

Truist Bank attracts deposits primarily from clients within its branch network by offering a broad selection of deposit instruments to individuals and businesses, including noninterest-bearing checking accounts, interest-bearing checking accounts, savings accounts, money market deposit accounts, certificates of deposit, and individual retirement accounts.

Truist’s total deposits at December 31, 2020 were \$381.1 billion, an increase of \$46.4 billion from the prior year. Noninterest-bearing deposits increased \$35.2 billion, interest checking increased \$19.8 billion, and money market and savings increased \$5.3 billion. Time deposits declined \$14.0 billion. The overall growth in lower-cost deposits was largely driven by the impact of stimulus as well as the “flight to quality” that occurred throughout 2020 in response to

the COVID-19 pandemic. The average cost of interest-bearing deposits for 2020 was 0.32%, a decline of sixty one basis points compared to the prior year.

Short-term Borrowings

Truist uses various types of short-term borrowings to meet funding needs. While deposits remain the primary source for funding loan originations, Truist uses short-term borrowings as a supplementary funding source for loan growth and other balance sheet management purposes. Short-term borrowings were 2.4% of total funding on average in 2020, as compared to 4.1% in 2019. The types of short-term borrowings that have been used, or may be used, include federal funds purchased, securities sold under repurchase agreements, master notes, commercial paper, short-term bank notes and short-term FHLB advances. Securities sold under repurchase agreements are reflected as collateralized borrowings on Truist's balance sheet. Average short-term borrowings in 2020 were \$10.1 billion, an increase of \$1.7 billion compared to 2019. Short-term borrowings were \$6.1 billion at December 31, 2020.

Long-term Debt

Truist uses long-term debt to provide both funding and, to a lesser extent, regulatory capital. During 2020, long-term debt represented 10.9% of average total funding, compared to 12.0% during 2019. At December 31, 2020, long-term debt totaled \$39.6 billion, down slightly compared to year-end 2019. Truist's average cost of long-term debt was 1.75% in 2020, compared to 3.22% in 2019.

Truist's long-term debt consists primarily of senior notes of Truist Financial Corporation, which represented 42.6% of the year-end balance; senior notes of Truist Bank, which represented 34.0% of total outstanding long-term debt at December 31, 2020. The remainder of long-term debt is primarily issuances of subordinated notes by Truist Financial Corporation and Truist Bank, FHLB advances, and other borrowings.

Section 5: Description of Derivatives and Hedging Activities**Derivative Financial Instruments**

A derivative is a financial instrument that derives its cash flows, and therefore its value, by reference to an underlying instrument, index, or referenced interest rate. These instruments include interest rate swaps, caps, floors, collars, financial forwards and futures contracts, swaptions, when-issued securities, foreign exchange contracts, and options written and purchased.

Truist uses derivatives to manage various financial risks and in a dealer capacity to facilitate client transactions. Specifically, Truist uses derivatives primarily to manage economic risk related to securities, commercial loans, mortgage servicing rights (“MSRs”) and mortgage banking operations, long-term debt, and other funding sources. Truist mitigates credit risk by subjecting counterparties to credit reviews and approvals similar to those used in making loans and other extensions of credit. In addition, certain counterparties are required to provide collateral to Truist when their unsecured loss positions exceed certain negotiated limits. The fair values of derivative financial instruments are determined based on quoted market prices and internal pricing models that use market observable data for interest rates, foreign exchange, equity, and credit. The fair value of interest rate lock commitments, which are related to mortgage loan commitments, is based on quoted market prices adjusted for commitments that Truist does not expect to fund and includes the value attributable to the net servicing fee. The fair value of derivatives in a gain or loss position is included in other assets or liabilities, respectively, on Truist Financial Corporation’s Consolidated Balance Sheets.

Truist classifies its derivative financial instruments as either (1) a hedge of an exposure to potential changes in the fair value of a recorded asset or liability (“fair value hedge”), (2) a hedge of an exposure to potential changes in the cash flows of a recognized asset, liability, or forecasted transaction (“cash flow hedge”), (3) a hedge of a net investment in a subsidiary, or (4) derivatives not designated as hedges. Changes in the fair value of derivatives not designated as hedges are recognized in current period earnings. Truist has master netting agreements with the derivatives dealers with which it does business, but reflects derivatives on a gross basis on Truist Financial Corporation’s Consolidated Balance Sheets.

Table 7 provides information concerning Truist’s derivative financial instruments and related hedged items as of the dates indicated.

Table 7: Truist's Derivative Classifications and Hedging Relationships

	December 31, 2020			December 31, 2019		
	Notional	Fair Value ¹⁵		Notional	Fair Value ¹⁴	
	Amount	Gain	Loss	Amount	Gain	Loss
(Dollars in millions)						
Fair Value Hedges:						
Interest rate contracts:						
Receive fixed swaps	-	-	-	23,701	113	(25)
Options	-	-	-	3,407	-	(2)
Receive fixed swaps	-	-	-	44	-	-
Pay fixed swaps	17,765	-	-	-	-	-
Total	17,765	-	-	27,152	113	(27)
Not Designated as Hedges:						
Client-related and other risk management:						
Interest rate contracts:						
Swaps	156,338	3,399	(862)	144,473	1,817	(673)
Options	25,386	45	(18)	25,938	28	(19)
Forward commitments	4,847	9	(11)	7,907	6	(7)
Other	2,573	-	-	1,807	-	-
Equity contracts	31,152	1,856	(2,297)	38,426	1,988	(2,307)
Credit contracts:						
Loans and leases	1,056	-	(5)	894	-	(34)
Risk participation agreements	7,802	1	(13)	6,696	-	(2)
Total return swaps	1,296	13	(33)	2,531	27	(11)
Foreign exchange contracts	12,066	189	(219)	12,986	144	(164)
Commodity	2,872	130	(124)	2,659	67	(65)
Total	245,388	5,642	(3,582)	244,317	4,077	(3,282)
Mortgage Banking:						
Interest rate contracts:						
Swaps	687	-	-	535	-	-
Interest rate lock commitments	8,609	186	(3)	4,427	34	(2)
When issued securities, forward rate agreements and forward commitments	11,691	6	(73)	11,997	10	(18)
Other	466	-	-	603	2	-
Total	21,453	192	(76)	17,562	46	(20)
MSRs:						
Interest rate contracts:						
Swaps	36,161	-	(5)	19,196	-	-
Options	101	-	-	1,519	22	(2)
When issued securities, forward rate agreements and forward commitments	1,314	7	-	5,560	2	(5)
Other	760	-	-	567	-	-
Total	38,336	7	(5)	26,842	24	(7)
Total derivatives not designated as hedges	305,177	5,841	(3,663)	288,721	4,147	(3,309)
Total Derivatives	\$ 322,942	5,841	(3,663)	\$ 315,873	4,260	(3,336)
Gross amounts not offset in the Consolidated Balance Sheets:						
Amounts subject to master netting arrangements not offset due to policy election		(1,561)	1,561		(1,708)	1,708
Cash collateral (received) posted		(443)	1,547		(499)	1,262
Net Amount		\$ 3,837	\$ (555)		\$ 2,053	\$ (366)

¹⁵ Derivatives in a gain position are recorded as Other Assets, and derivatives in a loss position are recorded as Other Liabilities on the Consolidated Balance Sheets. Applies to all periods presented.

Section 6: Memberships in Payment, Clearing and Settlement Systems

Truist maintains direct access (*e.g.*, via membership in) and indirect access (*e.g.*, via correspondent relationships) to a number of payment, clearing, and settlement systems and Financial Market Utilities¹⁶ to facilitate transferring, clearing, and settling payments, securities, and other financial transactions for clients and on behalf of Truist Bank, Truist Insurance Holdings, Inc., and Truist Financial Corporation and its non-bank subsidiaries. Table 8 identifies notable payment, clearing, and settlement systems and Financial Market Utilities that Truist utilizes directly.

Table 8: Notable Payment, Clearing, and Settlement Systems and Financial Market Utilities Utilized by Truist

Payment, Clearing, and Settlement System / Financial Market Utility Name	Payment, Clearing, and Settlement System / Financial Market Utility Description	Payment, Clearing, and Settlement System / Financial Market Utility Primary Function	Member Entity / License Held
Depository Trust and Clearing Company (DTCC)	DTCC Provides clearing, settlement and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, money market instruments, and over-the-counter derivatives. The DTCC Trade Information Warehouse provides life cycle event processing services for the vast majority of all credit derivative transactions in the global marketplace.	Brokered Retail CD Payments, Securities Clearing	Truist Bank

¹⁶ Payment, clearing, and settlement systems and Financial Market Utilities are multilateral systems that provide the essential infrastructure for transferring, clearing, and settling payments, securities, and other financial transactions among financial institutions or between financial institutions and the system.

Payment, Clearing, and Settlement System / Financial Market Utility Name	Payment, Clearing, and Settlement System / Financial Market Utility Description	Payment, Clearing, and Settlement System / Financial Market Utility Primary Function	Member Entity / License Held
DTCC - Depository Trust Company (DTC)	DTC is a wholly-owned subsidiary of the Depository Trust and Clearing Corporation (“DTCC”) and a limited-purpose trust company under New York State banking law supervised by the New York Department of Financial Services. DTC is a member of the U.S. Federal Reserve and a registered clearing agency with the Securities and Exchange Commission. DTC’s primary activities include settling trades in corporate, municipal and mortgage- backed securities. DTC permits participants to transfer securities held in each participant’s account or for the account of a participant’s customer. DTC processes the movement of securities for trades that are cleared and settled in the Continuous Net Settlement system operated by its affiliate National Securities Clearing Corporation (“NSCC”), a central counterparty for the clearance of trades in U.S. cash markets; processes transactions settled in Canadian dollars through its interface with CDS Clearing and Depository Services, Inc.; provides settlement services for institutional trades (which typically involve money and securities transfers between custodian banks and broker-dealers); and provides for the settlement of issuances and maturities of money market instruments. DTC has been designated by the Financial Stability Oversight Council as a Systemically Important Financial Market Utility (“SIFMU”).	Securities Settlement, Non-Government Fixed Income Clearing	Truist Bank
DTCC - Fixed Income Clearing Corporation (FICC)	FICC, a U.S. securities clearing agency, is a subsidiary of the Depository Trust and Clearing Corporation (“DTCC”) which, in turn, is owned by its users, including major banks, broker-dealers and other financial institutions. FICC operates two divisions, the Government Securities Division (“GSD”) and the Mortgage Backed Securities Division (“MBSD”). Each division offers services to its members pursuant to separate rules and procedures. Truist Bank primarily utilizes MBSD. MBSD is a central counterparty and provides real-time trade matching, netting, and clearing services for the mortgage-backed securities market. FICC has been designated by the Financial Stability Oversight Council as a Systemically Important Financial Market Utility (“SIFMU”).	Government securities clearing; Netting, Rep Netting, & General Collateral Finance; clearing for fixed income securities, including treasury securities and mortgage backed securities for the purposes of fixed income transaction processing; generate calls, Mortgage-backed securities clearing	Truist Bank; Truist Securities, Inc.

Payment, Clearing, and Settlement System / Financial Market Utility Name	Payment, Clearing, and Settlement System / Financial Market Utility Description	Payment, Clearing, and Settlement System / Financial Market Utility Primary Function	Member Entity / License Held
DTCC - National Securities Clearing Corporation (NSCC)	NSCC is a wholly-owned subsidiary of DTCC, and is registered with and regulated by the Securities and Exchange Commission. NSCC provides clearing, settlement, risk management, central counterparty services, and a guarantee of completion for certain transactions for virtually all broker-to-broker trades involving equities, corporate and municipal debt, American depository receipts, exchange-traded funds, and unit investment trusts. It also nets trades and payments among its participants, significantly reducing the value of securities and payments that need to be exchanged each day. NSCC has been designated by the Financial Stability Oversight Council as a Systemically Important Financial Market Utility (“SIFMU”).	Cash Settlement, Securities Settlement, Corporate Bond Securities Clearing, Generate Calls	Truist Bank; Truist Insurance Holdings, Inc.; Truist Investment Services, Inc.; Truist Securities, Inc.
Fedwire Funds Service	Fedwire Funds Service (“Fedwire Funds”) is a wire transfer services provider that is owned and operated by the Reserve Banks. Fedwire Funds is a real-time gross settlement system. Payments are settled continuously on an individual, order-by-order basis without netting. Participants use Fedwire Funds to instruct a Reserve Bank to debit funds from the participant’s own Reserve Bank account and credit the Reserve Bank account of another participant. Fedwire Funds processes the purchase and sale of federal funds; the purchase, sale, and financing of securities transactions; the disbursement or repayment of loans; the settlement of domestic and cross-border U.S. dollar commercial transactions; and the settlement of real estate transactions and other high-value, time-critical payments. Fedwire Funds has not been designated as a Systemically Important Financial Market Utility (“SIFMU”) by the Financial Stability Oversight Council.	Wire Transfer	Truist Bank

Payment, Clearing, and Settlement System / Financial Market Utility Name	Payment, Clearing, and Settlement System / Financial Market Utility Description	Payment, Clearing, and Settlement System / Financial Market Utility Primary Function	Member Entity / License Held
Fedwire Securities Service	Fedwire Securities Service (“Fedwire Securities”) is a national securities book entry system owned and operated by the Federal Reserve Banks (“Reserve Banks”). Fedwire Securities conducts real-time transfers of securities and related funds, on a gross basis. Fedwire Securities provides for the issuance, maintenance, safekeeping, transfer, and settlement for Treasury securities, for many federal government agency and government-sponsored enterprise securities and for certain international organizations’ securities. Fedwire Securities has not been designated as a Systemically Important Financial Market Utility (“SIFMU”) by the Financial Stability Oversight Council.	Securities Processing and Clearing	Truist Bank

Payment, Clearing, and Settlement System / Financial Market Utility Name	Payment, Clearing, and Settlement System / Financial Market Utility Description	Payment, Clearing, and Settlement System / Financial Market Utility Primary Function	Member Entity / License Held
<p>The Clearing House (TCH) Payments Company - CHIPS, EPN, SVPCo</p>	<p>The Clearing House Interbank Payments System (“CHIPS”), a U.S. payments system, is a service of The Clearing House, which, in turn, is owned by many of the world’s largest commercial banks. CHIPS is a large-value wire transfer payment system with real-time final net settlement of payments. CHIPS processes a large proportion of U.S. dollar cross-border payments and an increasing volume of U.S. domestic payments. The Clearing House Payments Company has been designated by the Financial Stability Oversight Council as a Systemically Important Financial Market Utility (“SIFMU”) on the basis of its role as operator of CHIPS.</p> <p>Electronic Payments Network (“EPN”) is an electronic payment system providing automated clearing house (“ACH”) services. EPN is owned and operated by The Clearing House Payments Company L.L.C. (“The Clearing House”). EPN facilitates exchanges of batched debit and credit payments among business, consumer, and government accounts. The system processes pre-authorized recurring payments such as payroll, Social Security, mortgage, and utility payments, as well as non-recurring payments such as telephone-initiated payments and the conversion of checks into ACH payments at lockboxes and points of sale. It also processes inbound and outbound cross-border ACH payments through foreign gateway operators. EPN has not been designated as a Systemically Important Financial Market Utility (“SIFMU”) by the Financial Stability Oversight Council.</p> <p>Small Value Payments Corporation (“SVPCo”), a U.S. Check Image Exchange system, is a service of The Clearing House which, in turn, is owned by many of the nation’s largest commercial banks. SVPCo is a check clearing exchange system that does a net settlement between the exchanging banks on a business day basis. SVPCO-Electronic Clearing Services operates as a subsidiary of The Clearing House, LLC. SVPCO has not been designated as a Systemically Important Financial Market Utility (“SIFMU”) by the Financial Stability Oversight Council.</p>	<p>Wire Transfer, ACH Transactions, Check Clearing</p>	<p>Truist Bank</p>

Payment, Clearing, and Settlement System / Financial Market Utility Name	Payment, Clearing, and Settlement System / Financial Market Utility Description	Payment, Clearing, and Settlement System / Financial Market Utility Primary Function	Member Entity / License Held
ViewPointe Archival Services (ViewPointe)	ViewPointe, a U.S. check clearing and settlement system is owned by Bank of America, JPMorgan Chase, Truist, U.S. Bank, Wells Fargo, and IBM. ViewPointe offer information management and governance solutions and hosts one of the largest national archives of check images and information providing end-to-end check image clearing and settlement services. ViewPointe provides its check clearing services through the National Settlement System (“NSS”). ViewPointe has not been designated as a Systemically Important Financial Market Utility (“SIFMU”) by the Financial Stability Oversight Council.	Viewpointe provides Check Clearing, check image archival, image exchange, and check net settlement capabilities	Truist Financial Corp.; Truist Bank; Truist Insurance Holdings, Inc.
Visa, Inc.	Visa Inc. (“Visa”) is a global payments technology company that connects consumers, businesses, financial institutions, and governments in numerous countries and territories, enabling them to use electronic payments instead of cash and checks. Visa has not been designated as a Systemically Important Financial Market Utility (“SIFMU”) by the Financial Stability Oversight Council.	Payments - Credit, Debit/Prepaid, Merchant Services	Truist Financial Corp.; Truist Bank

Section 7: Description of Foreign Operations

Truist has limited foreign operations, most notably insurance premium finance in Canada through CAFO Inc.,¹⁷ an indirect subsidiary of Truist Bank. CAFO Inc. offers financing of property and casualty insurance premiums and originates the vast majority of these loans through long-standing relationships with independent agents and brokers throughout Canada. CAFO Inc. conducts its operations from three Canadian offices in Toronto, Montréal, and Edmonton. At December 31, 2020, CAFO had \$317 million in net loans outstanding.

Truist has other minor foreign operations including:

- A Cayman Islands branch license that allows Truist Bank to participate in the interdealer market for buying and selling Eurodollars;
- Truist Insurance Holdings, Inc., a designated Material Entity and subsidiary of Truist Bank, has one subsidiary organized under a foreign jurisdiction:
 - McGriff, Seibels & Williams de Mexico Intermediario de Reasaguro, S.A. de C.V. (“McGriff de Mexico”) is the Mexican-based subsidiary of McGriff, Seibels & Williams, Inc. (“McGriff”), a retail insurance broker, used to service McGriff clients that have operations in Mexico;
- MBT, Ltd. is a Bermuda-based captive insurance company organized as a subsidiary of Truist Financial Corp. MBT, Ltd. is a part of the Insurance Holdings Core Business Line; and
- Sterling Capital (Cayman) Limited is a Cayman Islands-based subsidiary of Sterling Capital Management LLC, a subsidiary of Truist Financial Corp. and part of the Consumer Banking and Wealth Core Business Line, through which Sterling Capital Management LLC provides investment advisory services to non-U.S. companies.

¹⁷ CAFO Inc. is a subsidiary of CAFO Holdings Company (Canada), which is a subsidiary of Prime Rate Premium Finance Corporation, Inc. (a direct subsidiary of Truist Bank).

Section 8: Material Supervisory Authorities

As a financial holding company, Truist Financial Corporation is subject to regulation under the Bank Holding Company Act and the examination and reporting requirements of the Federal Reserve. In addition, Truist Financial Corporation, as parent company to Truist Bank, is subject to federal and state banking laws and regulations. Truist Financial Corporation and certain of its subsidiaries and affiliates, including those that engage in securities underwriting, dealing, brokerage, investment advisory and insurance activities, are subject to regulation, supervision, and examination by state and federal regulatory authorities, including the Securities and Exchange Commission (“SEC”), Financial Industry Regulatory Authority (“FINRA”), New York Stock Exchange (“NYSE”), and various state insurance and securities regulators.

Truist Bank, a state-chartered commercial bank and Truist Financial Corporation’s largest subsidiary, is subject to regulation, supervision, and examination by the FDIC, the NCCOB, and the CFPB. State and federal laws govern the activities in which Truist Bank engages, the investments it makes, and the aggregate amount of loans it may grant to one borrower. Various federal and state consumer protection and compliance laws and regulations also affect its operations. Banking regulators also have broad enforcement powers over Truist Bank, including the power to impose fines and other civil and criminal penalties, and to appoint a receiver in order to protect the assets of any such institution for the benefit of depositors and other creditors. Additionally, Federal Reserve actions affect Truist Bank as the Federal Reserve attempts to influence economic growth and stability through monetary supply and credit availability.

Section 9: Principal Officers

Table 9 identifies the Executive Officers¹⁸ of Truist Financial Corporation and Truist Bank.

Table 9: Executive Officers of Truist Financial Corporation and Truist Bank as of December 31, 2020

Executive Officer and Title	
Kelly S. King <i>Chairman and Chief Executive Officer</i>	Michael B. Maguire <i>Senior Executive Vice President and Head of National Consumer Finance and Payments</i>
William H. Rogers <i>President and Chief Operating Officer</i>	Kimberly Moore-Wright <i>Senior Executive Vice President and Chief Human Resources Officer</i>
Daryl N. Bible <i>Senior Executive Vice President and Chief Financial Officer</i>	Brant J. Standridge <i>Senior Executive Vice President and President, Retail Banking</i>
Scott Case <i>Senior Executive Vice President and Chief Information Officer</i>	Clarke R. Starnes, III <i>Senior Executive Vice President and Chief Risk Officer</i>
Hugh S. (Beau) Cummins, III <i>Senior Executive Vice President and Head of the Corporate and Institutional Group</i>	Joseph M. Thompson <i>Senior Executive Vice President and Head of Truist Wealth</i>
Ellen M. Fitzsimmons <i>Senior Executive Vice President and Chief Legal Officer and Head of Enterprise Diversity</i>	David H. Weaver <i>Senior Executive Vice President and Head of Commercial Community Banking</i>
Christopher L. Henson <i>Senior Executive Vice President and Head of Banking and Insurance</i>	Dontá L. Wilson <i>Senior Executive Vice President and Chief Client Experience Officer</i>

¹⁸ Executive Officers of Truist Financial Corporation are also Executive Officers of Truist Bank.

Table 10 describes the members of the Truist Financial Corporation’s Board of Directors.

Table 10: Truist Financial Corporation’s Board of Directors¹⁹ as of December 31, 2020

Board Member	Position	Board of Directors Committee Membership					
		Audit	Compensation & Human Capital	Executive	Nominating & Governance	Risk	Technology
Kelly S. King ²⁰	Chairman and Chief Executive Officer, Truist Financial Corporation and Truist Bank			M		M	
William H. Rogers, Jr. ²⁰	President and Chief Operating Officer, Truist Financial Corporation and Truist Bank			M		M	
Jennifer S. Banner	Executive Director at the University of Tennessee Haslam College of Business, Forum for Emerging Enterprises and Private Business	M	C	M			
K. David Boyer	Chief Executive Officer, GlobalWatch Technologies Inc.	M					M
Agnes Bundy Scanlan	President of The Cambridge Group LLC				M	M	
Anna R. Cablik	President, Anasteel & Supply Company, LLC		M	M		M	
Dallas S. Clement	Executive Vice President and Chief Financial Officer, Cox Enterprises	C		M			M
Paul D. Donahue	President and Chief Executive Officer, Genuine Parts Company		M				
Paul R. Garcia	Retired Chairman and Chief Executive Officer, Global Payments Inc.	M					M

¹⁹ Members of Truist Financial Corporation’s Board of Directors also serve as members of Truist Bank’s Board of Directors, (collectively “Boards of Directors”)

²⁰ Denotes Management Director

Board Member	Position	Board of Directors Committee Membership					
		Audit	Compensation & Human Capital	Executive	Nominating & Governance	Risk	Technology
Patrick C. Graney III	President, PCG, Inc.	M	M				
Linnie M. Haynesworth	Retired Sector Vice President and General Manager, Northrop Grumman Corporation						M
Easter A. Maynard	Director of Community Investment, Investors Management Corporation	M	M				
Donna S. Morea	Chief Executive Officer, Adesso Group, LLC			M		M	C
Charles A. Patton	Manager, Patton Holdings, LLC			M	M	C	
Nido R. Qubein	President, High Point University					M	M
David M. Ratcliffe ²¹	Retired Chairman, President and Chief Executive Officer, Southern Company			M	C	M	
Frank P. Scruggs, Jr.	Principal, Frank Scruggs P.A.		M			M	
Christine Sears	Retired Chief Executive Officer, Penn National Insurance	M					M
Thomas E. Skains	Retired CEO, Piedmont Natural Gas Company Inc.			C	M	M	
Bruce L. Tanner	Retired Executive Vice President and Chief Financial Officer, Lockheed Martin Corporation	M					M
Thomas N. Thompson	President, Thompson Homes, Inc.				M	M	
Steven C. Voorhees	Former President and Chief Executive Officer, WestRock Company	M	M				

Legend: C = Chair, M = Member

²¹ Denotes Lead Director

Section 10: Resolution Planning Corporate Governance Structure and Processes

Resolution planning at Truist is coordinated by the Recovery and Resolution Planning Team (“RRPT”) led by a senior officer of Truist in the Chief Financial Officer’s organization. This officer works closely with senior management to ensure that Truist is adopting business organizational strategies, policies, and procedures that appropriately address the challenges faced in establishing a robust and credible resolution planning structure.

The RRPT partners with the management teams of each of the Core Business Lines as well as with the management teams of the Critical Services, which include: Audit Services, Banking Operations, Enterprise Technology, Digital, Client Engagement, Analytics and Marketing, Financial Management, Human Resources, Legal, and the Risk Management Organization to assess resolution planning strategies. The RRPT is responsible for compiling, reviewing, and maintaining all resolution-related information.

To support the sustainability of its resolution planning, Truist considers resolution planning processes in its ongoing processes, reporting, and governance.

Key participants in the resolution governance structure and processes include the Board of Directors of Truist Financial Corporation and Truist Bank, committees of the Boards of Directors, executive leadership, and all relevant support groups, risk groups and lines of business. Each of these groups has been appropriately engaged in the preparation of Truist’s 165(d) Resolution Plan.

The activities of the RRPT are supervised by the Management Reporting Manager, and the resolution planning process is under the oversight of the RRP Committee which is co-chaired by Head of RRP and Corporate Finance Manager and a Senior Capital Oversight Manager, and includes Truist’s Chief Financial Officer, Chief Information Officer, General Counsel, and other members of senior leadership representing various Core Business Lines and Critical Services. The process is reviewed with the Risk Committees of the Boards of Directors and updates on progress are made regularly throughout the year. The 165(d) Resolution Plan has been approved by the Board of Directors of Truist Financial Corporation.

Section 11: Description of Material Management Information Systems

Truist’s management information systems (“MIS”) comprise a large portfolio of applications that are primarily owned or licensed by Truist Bank. These applications allow the Core Business Lines and Critical Services to conduct business, fulfill reporting requirements, and perform other day-to-day activities. These applications are supported by infrastructure managed by the Enterprise Technology Services Critical Service, within Truist Bank. MIS reporting, both standard and ad hoc, provides status on systems such as uptime / downtime, number of users, and efficiency. In many cases, data is also reported from warehouse / datamart environments. MIS reports are generated by both the Core Business Lines and Critical Services in order to analyze, measure, and manage their functions. To appropriately govern its applications and the supporting infrastructure, Truist has implemented numerous policies and standards to consistently secure, support, and manage MIS.

Technology risk is governed by corporate risk management policies and managed by Technology Risk, within the Risk Management Organization Critical Service. Disaster recovery and business continuity plans are periodically reassessed in order to provide stability should a disaster occur. Truist manages application risk through an application tier structure. This structure provides standards and requirements for application availability and disaster recovery based on criticality.

Section 12: High Level Description of Resolution Strategies

As required by the 165(d) Rule, Truist has developed strategies for the resolution of its Material Entities. These strategies were developed assuming a hypothetical idiosyncratic failure had occurred at Truist Bank. The 165(d) Resolution Plan provides for the rapid and orderly resolution of Truist Financial Corporation and the other Material Entities, as defined under the 165(d) Rule, without extraordinary government support or impact to the broader U.S. economy. The resolution strategies are summarized below:

- **Truist Financial Corporation:** In the event of its failure, Truist Financial Corporation would be resolved under Chapter 11 of the Bankruptcy Code and its assets liquidated through a Section 363 sales process;
- **Truist Bank:** In the event of its failure, Truist Bank would be subject to the FDIC receivership process under the FDIA. Truist has developed resolution strategies for Truist Bank by identifying a range of sale and disposition options for the FDIC to consider. The options identified are intended to achieve maximum value for the receivership, incur the least cost to the FDIC’s Deposit Insurance Fund,²² ensure clients have access to their insured deposits within one business day, and limit contagion and loss of franchise value that might be caused by a lengthy resolution process. The options for the sale and disposition of Truist Bank include strategies to either maintain Truist Bank as a whole bank and transition it to another owner (“Resolution Weekend Sale”), or, alternatively, segment Truist Bank into discrete parts and sell those parts in multiple transactions (“Multiple-Acquirer Sale”), which could include an Initial Public Offering (“IPO”), or liquidate (“Liquidation”); and
- **Truist Insurance Holdings, Inc.:** In the event of the failure of Truist Insurance Holdings, Inc., a purchaser would be sought for the business either with Truist Bank, or on a standalone basis.

²² The FDIC’s Deposit Insurance Fund is funded by insurance payments made by FDIC-covered banks. The Deposit Insurance Fund is set aside to protect insured depositors in the event of failure of an insured depository institution.

Section 13: Conclusion

Truist has historically maintained a simple corporate structure and continues to identify opportunities to simplify its structure further through its Resolution Planning activities. Activities among companies under a corporate umbrella can increase the complexity of resolving a financial company that fails. These relationships are referred to as interconnections. Truist's use of subsidiary companies is limited and thus does not add significantly to the complexity of resolving Truist under the remote chance that Truist Bank enters receivership. Truist's most complex interconnection in receivership would be the separation of Truist Bank from Truist Financial Corporation, its parent company. In the event Truist were to fail, Truist Financial Corporation and its non-bank subsidiaries would be subject to bankruptcy law, and Truist Bank and its subsidiaries would be subject to receivership under the FDIA. Truist's 165(d) Resolution Plan specifically deals with the separation of these corporate entities including cross-support of people, systems, and other processes that would be impacted by the different regimes that govern the hypothetical failure of Truist Financial Corporation or Truist Bank.

Truist has limited systemic importance as a financial intermediary. Systemically important financial institutions²³ (e.g., major payment and clearing firms, major derivative counterparties, and major providers of liquidity to the industry) are generally engaged in activities that widely impact the financial system. The failure of a systemically important financial institution could potentially impact the financial stability of the United States. Truist does not engage in these activities as a provider of services to other financial firms. Truist, through Truist Bank, and its non-bank subsidiaries, provides traditional loan and deposit products, securities brokerage, trust services, and insurance brokerage for commercial and retail clients. A failure of Truist would not create a systemic risk to the stability of the United States financial system based upon the lack of interconnections that would represent a material exposure to other major financial institutions.

²³ The Basel Committee has identified factors for assessing whether a financial institution is systemically important: its size, its complexity, its interconnectedness, the lack of readily available substitutes for the financial infrastructure it provides, and its global (cross-jurisdictional) activity.

Truist believes its simple business model, lack of systemic industry interconnections, limited use of subsidiary companies, and strong resolution planning governance would enable Truist to be resolved under the resolution regimes available to regulators.

Truist believes that the strength of the company, including its diversified revenue stream, strong capital base, balanced funding mix, and granular loan portfolio, makes its failure highly unlikely. Truist's relatively straightforward organizational structure is evidenced by the fact that most of the operations of Truist Bank are housed in, and owned by, Truist Bank, and the interconnections that exist between Truist Bank and the other Material Entities would be readily addressed in the event of a failure. Due to this straightforward organizational structure, it is expected that the resolution of Truist Financial Corporation could be achieved in a rapid and orderly manner, would provide depositors access to their funds within one business day, and would have limited to no impact to the broader U.S. economy.