



**IDI Resolution Plan
Public Executive Summary
2022**

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, 2021 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.

For a full listing of Truist’s filings with the Securities and Exchange Commission, please visit www.sec.gov. For further information on Truist, please visit www.truist.com.

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Section 1: Introduction

To promote financial stability, the Federal Deposit Insurance Corporation (“FDIC”) has adopted a rule (“IDI Rule”) for insured depository institutions (“IDI”) requiring each IDI with \$50B or more in total assets (a covered IDI (“CIDI”))¹ to periodically submit a resolution plan (“IDI Resolution Plan”) to the FDIC. The IDI Rule is designed to assist the FDIC in meeting the operational challenges of resolving a CIDI so that depositors receive prompt access to their insured deposits in the event of an IDI’s failure and to enable the FDIC to perform its resolution functions efficiently. In January 2021, the FDIC lifted a moratorium² on IDI Resolution Planning requirements for IDIs with \$100B or more in total assets (“Specified CIDs”)³. Further, in June 2021, the FDIC issued a policy statement to implement certain aspects of the Rule for Specified CIDs that also provided certain exemptions from the IDI Rule (the “Statement”).⁴ Truist Bank, with more than \$100B in total assets, meets the definition of a Specified CIDI and, therefore, has developed a resolution plan (“IDI Resolution Plan”) to meet the requirements of the IDI Rule, as modified by the Statement.

For IDI Resolution Plan purposes, the term “Truist” refers to the entire organization and is not a legal entity reference. Truist Financial Corporation (“Truist Financial Corp.”) refers to the legal entity, which is the financial holding company (“Parent Company”) of the organization. References to Truist Financial Corp. are intended to include only the stand-alone legal entity and do not include its bank and non-bank subsidiaries, unless otherwise noted. Truist Bank (“Truist Bank”) refers to the legal entity, which is the IDI for purposes of the IDI Resolution Plan. Any reference to Truist Bank includes its operating subsidiaries, including its Material Entity⁵ (“ME”) subsidiary Truist Insurance Holdings, Inc. (“Truist Insurance Holdings”), unless otherwise noted.

¹ An insured depository institution with \$50B or more in total assets, as determined based upon the average of the institution’s four most recent reports of Condition and Income or Thrift Financial reports, as applicable to the insured depository institution.

² The moratorium was implemented in November 2018.

³ <https://www.fdic.gov/resources/resolutions/resolution-authority/idi-statement-01-19-2021.pdf>

⁴ Statement on Resolution Plans for Insured Depository Institutions, June 25, 2021.

⁵ A Material Entity is a legal entity that is significant to the activities of an identified Critical Service or Core Business Line of the CIDI.

Unless otherwise indicated, information provided in this Public Section⁶ is as of December 31, 2021.

In the unlikely event of material financial distress or failure, Truist's IDI Resolution Plan provides for the resolution of Truist Financial Corporation, Truist Bank, and its Material Entity subsidiary (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 IDI Resolution Plan includes resolution strategies involving receivership under the Federal Deposit Insurance Act (“FDIA”), as amended, and reorganization or liquidation under the United States Bankruptcy Code (the “Bankruptcy Code”).

Truist’s IDI Resolution Plan assumes a series of hypothetical material financial events that specifically and singularly affects specific Core Business Lines⁷ 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,⁸ and that Truist has not taken steps to 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.

Business Overview

Truist Financial Corp., a large U.S. financial holding company, had approximately \$541.2B in consolidated assets and a market capitalization of approximately \$77.7B, as of December 31, 2021. Truist Bank, Truist Financial Corp.'s largest subsidiary, founded in 1872, is a strong financial institution that has not only survived, but also prospered through the many economic downturns that have occurred throughout its 150-year history. Truist has diversified its revenue streams through the years, becoming a trusted provider of a wide range of banking, trust, and other financial services to retail and commercial clients. Truist Bank has expanded its footprint to include 17 states covering the south, southeastern, and Mid-Atlantic portions of the United

⁶ The Public Section refers to the respective public executive summary required under the Rules.

⁷ As defined by the IDI Rule, Core Business Line means “those business lines of the CIDI, including associated operations, services, functions, and support that, in the view of the CIDI, upon failure would result in material loss of revenue, profit, or franchise value.”

⁸ 2022 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 10, 2022.

States (“U.S.”) and the District of Columbia. Throughout its history, Truist Bank has focused on maintaining a safe, sound, and diversified business model for its shareholders.

On February 7, 2019, BB&T Corporation announced its intent to merge with SunTrust Banks, Inc. (“SunTrust”), with related mergers of subsidiary entities, with an Agreement and Plan of Merger dated as of February 7, 2019 and amended as of June 14, 2019. Following a customary review and approval process, on December 6, 2019, BB&T Corporation completed the merger, whereby SunTrust merged with and into BB&T Corporation, with BB&T Corporation as the surviving entity (subsequently referred to as the “Merger of Equals” or “MOE”). Immediately following the Merger, the Company changed its name from BB&T Corporation to Truist Financial Corporation. Following the Merger, on December 7, 2019, SunTrust Bank, a wholly owned subsidiary of SunTrust, merged with and into Branch Banking and Trust Company, with Branch Banking and Trust Company continuing as the surviving bank and subsequently renamed Truist Bank.

Truist Bank, a North Carolina state chartered financial institution and IDI, is the primary operating subsidiary of Truist Financial Corp., a financial holding company headquartered in Charlotte, North Carolina. Truist Bank, tracing its history back to 1872, is the oldest bank headquartered in North Carolina. Truist Bank, Truist Financial Corp.’s largest subsidiary, comprised approximately 98% of Truist’s total assets at December 31, 2021.

As represented in Truist Financial Corp.’s 2021 Annual Report on Form 10-K (“Truist’s 10-K”), Truist operates out of 3 reportable business segments: Consumer Banking and Wealth (“CB&W”), Corporate and Commercial Banking (“C&CB”), Insurance Holdings (“IH”), with functional activities included in Other, Treasury and Corporate (“OT&C”). For the purpose of Truist’s Resolution Plan, Truist has identified CB&W, C&CB, and IH as Core Business Lines (“CBLs”), with OT&C generally comprised of the Critical Services groups (“CS”). Descriptions of these three CBLs are as follows:

- **Consumer Banking and Wealth:** CB&W serves individuals 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 corporate and commercial 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 through its Integrated Relationship Management (“IRM”) process.
- **Insurance Holdings:** Truist’s IH CBL 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. IH 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.

Under the IDI Rule, Truist Bank is required to have a comprehensive plan that provides strategies for resolving Truist Bank and its franchise components under the FDIA, protecting its insured depositors and the Deposit Insurance Fund, and maximizing value for the benefit of creditors of the bank. Truist has submitted its IDI Resolution Plan in accordance with the requirements of the IDI Rule and the Statement. In the unlikely event that Truist Bank 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 IDI Resolution Plan provides strategies for the continuation of Truist Bank’s business operations and the orderly transfer of Truist Bank and its subsidiaries’ clients, client accounts, client securities, and other property to other providers with minimal disruption. The IDI Resolution Plan allows for Truist Bank to be resolved without requiring extraordinary government support and in a manner that would minimize losses to the Deposit Insurance Fund.⁹

⁹ 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 2: The Names of Material Entities

As defined by the IDI Rule, a Material Entity means “a company that is significant to a Critical Service¹⁰ or Core Business Line.” Truist has identified the following Material Entities for the IDI 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 Board of Governors of the Federal Reserve System.
- **Truist Bank** is a wholly owned, state-chartered banking subsidiary of Truist Financial Corporation and, for purposes of the IDI Rule, 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. 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.

¹⁰ As defined by the IDI Rule, Critical Services means “services and operations of the CIDI, such as servicing, information technology support and operations, human resources, and personnel that are necessary to continue the day-to-day operation of the CIDI.”

Section 3: Description of Core Business Lines

Truist is a purpose-driven, highly profitable growth organization offering a wide range of services including retail, small business and commercial banking; asset management; capital markets; commercial real estate; corporate and institutional banking; insurance; mortgage; payments; specialized lending; and wealth management.. 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 IDI Resolution Plan.

Descriptions of these Core Business Lines are as follows:

- **Consumer Banking and Wealth:** CB&W serves individuals 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. CB&W made up of four primary businesses and the Treasury Solutions product group:
 - **Retail and Small Business Banking (formerly Retail Community Banking)** provides banking, borrowing, investing, insurance solutions, and advice 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.
 - **Consumer Finance and Payments (formerly National Consumer Finance, Services, and Payments)** provides a comprehensive set of technology-enabled consumer lending and corporate payment solutions. Lending solutions include direct to consumer offerings through LightStream and point-of-sale offerings through Sheffield, Service Finance, and Dealer Retail Services. Additionally, Consumer Finance and Payments includes wholesale payments, which provides treasury, merchant services, and commercial card solutions to Truist's business clients, ranging from small businesses to large corporate institutions.

- 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, business transition advice, 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, 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, and specialty asset management, 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 by independent mortgage companies.
- Corporate and Commercial Banking ("C&CB"): Serves corporate and commercial 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. C&CB includes:
 - Corporate and Investment Banking ("CIB") 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 C&CB segment. Investment Banking and Corporate Banking teams within CIB 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 CIB to commercial clients, 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 delivers banking, capital markets, and strategic advisory solutions to REIT, fund, and public homebuilder clients.
 - 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.
- Insurance Holdings: Truist's IH CBL is a large 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. IH 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, 2021 and 2020 respectively. For a more detailed discussion and important notes related to Truist Financial Corporation's Balance Sheets, please refer to Truist Financial Corporation's 2021 Annual Report on Form 10-K and other Truist reports filed pursuant to the Securities Exchange Act of 1934.¹¹

¹¹ For more detailed information, and to view the complete filings, see www.sec.gov.

Table 1: Truist Financial Corporation Summarized Consolidated Balance Sheets as of December 31
(Dollars in millions)

Assets	2021	2020
Cash and due from banks	5,085	5,029
Interest-bearing deposits with banks	15,210	13,839
Securities borrowed or purchased under resale agreements	4,028	1,745
Trading assets at fair value	4,423	3,872
AFS securities at fair value	153,123	120,788
HTM Securities (fair value of \$1,495 as of December 31, 2021)	1,494	-
LHFS (including \$3,544 and \$4,955 at fair value, respectively)	4,812	6,059
Loans and Leases (including \$23 at fair value as of December 31, 2021)	289,513	299,734
ALLL	(4,435)	(5,835)
Loans and Leases, net of ALLL	<u>285,078</u>	<u>293,899</u>
Premises and equipment	3,700	3,870
Goodwill	26,098	24,447
CDI and other intangible assets	3,408	2,984
Loan servicing rights at fair value	2,633	2,023
Other assets (including \$3,436 and \$4,891 at fair value, respectively)	<u>32,149</u>	<u>30,673</u>
Total Assets	<u><u>541,241</u></u>	<u><u>509,228</u></u>
Liabilities		
Noninterest-bearing deposits	145,892	127,629
Interest-bearing deposits	270,596	253,448
Short-term borrowings (including \$1,731 and \$1,115 at fair value, respectively)	5,292	6,092
Long-term debt	35,913	39,597
Other Liabilities (including \$586 and \$555 at fair value, respectively)	<u>14,277</u>	<u>11,550</u>
Total Liabilities	<u>471,970</u>	<u>438,316</u>
Shareholders' Equity		
Preferred stock	6,673	8,048
Common stock, \$5 par value	6,639	6,745
Additional paid-in capital	34,565	35,843
Retained earnings	22,998	19,455
AOCI, net of deferred income taxes	(1,604)	716
Noncontrolling interests	-	105
Total shareholders' equity	<u>69,271</u>	<u>70,912</u>
Total liabilities and shareholders' equity	<u><u>541,241</u></u>	<u><u>509,228</u></u>

Table 2: Truist Financial Corporation Summarized Balance Sheets (Parent Only) as of December 31

<u>Assets</u>	2021	2020
Cash and Due from Banks	\$598	\$688
Interest-bearing deposits with Banks	9,680	13,434
AFS Securities at Fair Value	257	82
Advances to /Receivables from Subsidiaries		
Banking	2,006	2,541
Non-Bank	3,377	3,734
Total advances to / receivables from subsidiaries	5,383	6,275
Investment In Subsidiaries		
Banking	64,985	65,641
Non-Bank	5,441	4,296
Total Investment in Subsidiaries	70,426	69,937
Other Assets	419	313
Total Assets	<u>\$86,763</u>	<u>\$90,729</u>
<u>Liabilities and Shareholders' Equity</u>		
Short-term borrowings	\$809	\$621
Long-Term Debt	16,504	18,890
Other liabilities	179	306
Total Liabilities	17,492	19,817
Total Shareholders' Equity	69,271	70,912
Total Liabilities and Shareholders' Equity	<u>\$86,763</u>	<u>\$90,729</u>

Truist Financial Corporation Capital Ratios

The regulatory capital ratios of Truist Financial Corporation for December 31, 2021 and 2020 are provided in Table 3.

Table 3: Truist Financial Corporation Capital Ratios

Truist Financial Corporation Capital Ratios	December 31,	
	2021	2020
Risk-based:		
Common equity Tier 1 to risk-weighted assets	9.6%	10.0%
Tier 1 Capital to risk-weighted assets	11.3%	12.1%
Total Capital to risk-weighted assets	13.2%	14.5%
Leverage Ratio	8.7%	9.6%
Supplementary Leverage Ratio	7.4%	8.7%

Truist Bank Financial Highlights

Table 4 presents Truist Bank's Summarized Consolidated Balance Sheets as of December 31, 2021 and 2020. 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 2021 and 2020 FFIEC-031 Annual Consolidated Reports of Condition and Income.¹²

Table 4: Truist Bank Summarized Consolidated Balance Sheets

(Unaudited, dollars in millions)

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
Assets		
Cash, cash equivalents and due from banks	5,255	5,079
Interest-bearing deposits with banks	15,130	13,627
Trading assets	2,088	1,918
Securities available for sale at fair value	152,860	120,700
Securities held to maturity	1,494	-
Loans held for sale	4,765	6,013
Loans and leases held for investment	285,500	295,056
Allowance for loan and lease losses	(3,647)	(4,940)
Loans and leases held for investment, net of allowance	<u>281,853</u>	<u>290,116</u>
Premises and equipment	3,368	3,523
Goodwill	25,737	24,087
Core deposit and other intangible assets	3,286	2,842
Mortgage servicing rights at fair value	2,633	2,023
Other assets	30,044	29,016
Total assets	<u><u>528,514</u></u>	<u><u>498,944</u></u>
Liabilities and Shareholders' Equity		
Deposits:		
Noninterest-bearing deposits	147,211	128,700
Interest-bearing deposits	280,927	267,081
Total deposits	<u>428,138</u>	<u>395,781</u>
Short-term borrowings	495	3,257
Long-term debt	21,113	22,958
Accounts payable and other liabilities	13,791	11,211
Total Liabilities	<u>463,538</u>	<u>433,307</u>
Shareholders' Equity	64,976	65,637
Total Liabilities and Shareholders' Equity	<u><u>528,514</u></u>	<u><u>498,944</u></u>

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

Table 5 presents capital information for Truist Bank as of December 31, 2021 and 2020.

Table 5: Truist Bank Capital Ratios

Truist Bank Capital Ratios	December 31,	
	2021	2020
Risk-based:		
Common equity Tier 1 to risk-weighted assets	10.5%	11.0%
Tier 1 Capital to risk-weighted assets	10.5%	11.0%
Total Capital to risk-weighted assets	12.0%	13.0%
Leverage Ratio	8.0%	8.7%
Supplementary Leverage Ratio	6.9%	7.5%

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.

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 management philosophy is based on the following capital allocation priorities: 1) maintenance and growth of core business operations in a safe and sound manner; 2) regular dividends to shareholders; 3) merger and acquisition opportunities; and 4) stock buybacks or special dividends, in the absence of economically attractive growth opportunities.

The maintenance of appropriate levels of capital is a top priority of management and is monitored 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 its 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 objective is to maintain capital at levels that are in line with 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. Table 6 presents Truist's capital requirements.

Table 6: Truist's Capital Requirements

Truist's Internal Capital Guidelines	Minimum Capital	Well- Capitalized		Min. Capital Plus Stress Capital Buffer ¹³
		Truist Financial Corp.	Truist Bank	
Common Equity Tier 1 Ratio	4.5%	N/A	6.5%	7.0%
Tier 1 Capital Ratio	6.0%	6.0%	8.0%	8.5%
Total Risk Based Capital Ratio	8.0%	10.0%	10.0%	10.5%
Leverage Capital Ratio	4.0%	N/A	5.0%	N/A
Supplementary Leverage Ratio	3.0%	N/A	N/A	N/A

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:

¹³ Reflects an SCB of 2.5% applicable to Truist as of December 31, 2021. Truist's SCB, received in the 2021 CCAR process, is effective from October 1, 2021 to September 30, 2022.

- 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, 2021 and 2020, Truist Financial Corporation had 19 months and 22 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, 2021 were \$416.5 billion, an increase of \$35.4 billion from the prior year. Noninterest-bearing deposits increased \$18.3 billion, interest checking increased \$10.5 billion, and money market and savings increased \$12.7 billion. Time deposits declined \$6.1 billion. The growth in deposits reflects the ongoing impact of government stimulus programs. Time deposits decreased primarily due to the maturity of higher-cost personal accounts. The average cost of interest-bearing deposits for 2021 was 0.06%, a decline of 26 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 1.4% of total funding on average in 2021, as compared to 2.4% in 2020. 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 2021 were \$6.2 billion, a decrease of \$3.9 billion compared to 2020. Short-term borrowings were \$5.3 billion at December 31, 2021.

Long-term Debt

Truist uses long-term debt to provide both funding and, to a lesser extent, regulatory capital. At December 31, 2021, long-term debt totaled \$35.9 billion, a decrease of \$3.7 billion compared to year-end 2020. Truist's average cost of long-term debt was 1.53% for the year ended December 31, 2021, compared to 1.75% in 2020.

Truist's long-term debt consists primarily of senior notes of Truist Financial Corporation, which represented 40.7% of the year-end balance; senior notes of Truist Bank, which represented 33.3% of total outstanding long-term debt at December 31, 2021. 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**

Derivatives are financial contracts, and include structured debt obligations and deposits, swaps, futures, options, caps, floors, collars, forwards and various combinations thereof. Truist Bank executes derivative transactions in the following products markets: Interest rate Derivatives (denominated in U.S. dollars and in foreign currencies), Credit Derivatives, Equity Derivatives, Cross-currency and Foreign Exchange Derivatives, Commodity Derivatives, and Loan Total Return Swap (“Loan TRS”) Derivatives.

Truist uses derivatives to manage various financial risks and in a dealer capacity to facilitate client transactions. 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.

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 a subset of derivatives counterparties with which it does business; these derivatives are aggregated and netted on Truist Financial Corporation’s Consolidated Balance Sheets. Derivatives outside of these netting agreements are recorded at gross amounts. 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, (Dollars in millions)	December 31, 2021			December 31, 2020		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Gain	Loss		Gain	Loss
Fair value hedges:						
Interest rate contracts:						
Swaps hedging long-term debt	\$ 12,690	\$ —	\$ (6)	\$ —	\$ —	\$ —
Swaps hedging AFS securities	12,711	—	(2)	17,765	—	—
Total	25,401	—	(8)	17,765	—	—
Not designated as hedges:						
Client-related and other risk management:						
Interest rate contracts:						
Swaps	150,223	1,716	(733)	156,338	3,399	(862)
Options	23,659	43	(30)	25,386	45	(18)
Forward commitments	2,404	2	(5)	4,847	9	(11)
Other	2,927	—	—	2,573	—	—
Equity contracts	34,232	1,582	(2,089)	31,152	1,856	(2,297)
Credit contracts:						
Loans and leases	570	—	(2)	1,056	—	(5)
Risk participation agreements	8,145	—	(4)	7,802	1	(13)
Total return swaps	1,445	3	(19)	1,296	13	(33)
Foreign exchange contracts	16,102	160	(156)	12,066	189	(219)
Commodity	4,641	475	(468)	2,872	130	(124)
Total	244,348	3,981	(3,506)	245,388	5,642	(3,582)
Mortgage banking:						
Interest rate contracts:						
Swaps	441	—	—	687	—	—
Interest rate lock commitments	4,163	30	(7)	8,609	186	(3)
When issued securities, forward rate agreements and forward commitments	6,913	7	(15)	11,691	6	(73)
Other	424	1	—	466	—	—
Total	11,941	38	(22)	21,453	192	(76)
MSRs:						
Interest rate contracts:						
Swaps	12,837	—	—	36,161	—	(5)
Options	101	1	—	101	—	—
When issued securities, forward rate agreements and forward commitments	3,927	7	—	1,314	7	—
Other	2,017	—	—	760	—	—
Total	18,882	8	—	38,336	7	(5)
Total derivatives not designated as hedges	275,171	4,027	(3,528)	305,177	5,841	(3,663)
Total derivatives	<u>\$ 300,572</u>	4,027	(3,536)	<u>\$ 322,942</u>	5,841	(3,663)
Gross amounts in the Consolidated Balance Sheets:						
Amounts subject to master netting arrangements		(1,312)	1,312		(1,561)	1,561
Cash collateral (received) posted for amounts subject to master netting arrangements		(345)	1,638		(443)	1,547
Net Amount		\$2,370	\$(586)		\$3,837	\$(555)

Section 6: Memberships in Material 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 Utilities¹⁴ 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

¹⁴ 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 – The Depository Trust Company (DTC)	DTC is a wholly-owned subsidiary of the 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; Truist Securities, Inc.; Truist Financial Corp.
DTCC - Fixed Income Clearing Corporation (FICC)	FICC, a U.S. securities clearing agency, is a subsidiary of the 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 SIFMU.	Government securities clearing Netting, Rep Netting, & General Collateral Finance, Mortgage-backed securities clearing, Generate calls	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 SIFMU.	Cash 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 Federal Reserve Banks (“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 SIFMU by the Financial Stability Oversight Council.	Wire Transfer	Truist Bank
Fedwire Securities Service	Fedwire Securities Service (“Fedwire Securities”) is a national securities book entry system owned and operated by the 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 SIFMU by the Financial Stability Oversight Council.	Securities 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, Real Time Payments (RTP), 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 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 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 SIFMU by the Financial Stability Oversight Council.</p>	<p>Wire Transfer, ACH Transactions, Real Time Payments, 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 offers 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 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 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., an indirect subsidiary of Truist Bank. Truist’s foreign operations are not material to its resolution plan.

Section 8: Material Supervisory Authorities

As a financial holding company, Truist Financial Corp. is subject to regulation under the Bank Holding Company Act and the examination and reporting requirements of the Federal Reserve. In addition, Truist Financial Corp., parent company to Truist Bank, is subject to federal and state banking laws and regulations. Truist Financial Corp. 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 Corp.’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 Officers of Truist Financial Corporation and Truist Bank.¹⁵

Table 9: Truist Executive Officers as of September 30, 2022

Executive Officer	Title
William H. “Bill” Rogers, Jr.	Chairman and Chief Executive Officer
Hugh S. “Beau” Cummins	Vice Chair
Mike Maguire	Chief Financial Officer
Clarke R. Starnes III	Vice Chair and Chief Risk Officer
Joseph M. Thompson	Chief Wealth Officer
David H. Weaver	Chief Commercial Community Banking Officer
Dontá L. Wilson	Chief Retail and Small Business Banking Officer
Ellen M. Fitzsimmons	Chief Legal Officer and Head of Public Affairs
Scott Case	Chief Information Officer
John M. Howard	Chief Insurance Officer
Denise M. Demaio	Chief Audit Officer
Kimberly Moore-Wright	Chief Teammate Officer and Head of Enterprise Diversity

¹⁵ 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 Directors¹⁶ as of March 2022

Board Member	Position	Board of Directors Committee Membership					
		Audit	Compensation & Human Capital	Executive	Nominating & Governance	Risk	Technology
William H. Rogers, Jr. ¹	Chairman and Chief Executive Officer	-	-	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	President and Chief Financial Officer, Cox Enterprises	C	-	M	-	-	M
Paul D. Donahue	Chairman and Chief Executive Officer, Genuine Parts Company	-	M	-	-	-	-
Patrick C. Graney III	President, PCG, Inc.	M	M	-	-	-	-
Linnie M. Haynesworth	Retired Sector Vice President and General Manager, Northrop Grumman Corporation	-	-	-	-	-	M
Kelly S. King	Retired CEO and Executive Chairman, Truist	-	-	M	-	M	-

¹⁶ Members of Truist Financial Corporation’s Board of Directors also serve as members of Truist Bank’s Board of Directors, (collectively “Boards of Directors”)

		Board of Directors Committee Membership					
Board Member	Position	Audit	Compensation & Human Capital	Executive	Nominating & Governance	Risk	Technology
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	Retired Chairman, President and CEO, 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 ²	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	Retired President and CEO, WestRock	M	M	-	-	-	-

Legend: C = Chair, M = Member, 1 = Management Director, 2 = 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 groups, which include: Audit Services, Enterprise Operations and Global Services, Enterprise Technology, Financial Management, Human Resources, Legal and Public Affairs, 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 Corp. and Truist Bank, committees of the Boards of Directors, members of the Executive Leadership Team, 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 IDI Resolution Plan.

The activities of the RRPT are supervised by the RRP and Special Projects Manager, and the resolution planning process is under the oversight of the RRP Committee which is co-chaired by the RRP and Special Projects Manager and the Chief Market and Liquidity Risk Officer, and includes Truist’s Chief Financial Officer, Chief Information Officer, Chief Legal Officer, and other members of senior leadership representing various functional areas across the enterprise. The process is reviewed with the Risk Committees of the Boards of Directors and updates on progress are made regularly throughout the year. The IDI Resolution Plan has been approved by the Board of Directors of Truist Bank.

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 Critical Service group, centralized 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 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 the Technology Risk group, within the Risk Management Organization Critical Service group. 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: 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 amongst and between 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 primary interconnection in receivership would be the separation of Truist Bank from Truist Financial Corp., its parent company. In the event Truist were to fail, Truist Financial Corp. 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 Resolution Plan specifically deals with the separation of Truist Bank and its subsidiaries from Truist Financial Corp. and its non-bank subsidiaries including cross-support of teammates, systems, facilities, and other processes that would be impacted by the hypothetical failure of Truist Bank.

Truist has limited systemic importance as a financial intermediary. Systemically important financial institutions¹⁷ (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.

¹⁷ 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 and liquidity, and balanced funding mix, 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 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.