TRUIST

Liquidity Coverage Ratio Disclosure

Truist Financial Corporation

June 30, 2021

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I. Introduction

Truist Financial Corporation (Truist or Company) is a financial holding company (FHC) and conducts its business operations through its bank subsidiary, Truist Bank, and other non-bank subsidiaries. Truist is a purpose-driven financial services company committed to inspiring and building better lives and communities. Truist has leading market share in many high-growth markets in the country. The Company offers 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. Headquartered in Charlotte, North Carolina, Truist is a top 10 U.S. commercial bank.

Truist Bank is a state non-member bank and is supervised by the Federal Deposit Insurance Corporation (FDIC) and North Carolina Office of the Commissioner of Banks, while Truist Financial Corporation is supervised by the Federal Reserve Board (FRB). Truist's non-bank subsidiaries are regulated and supervised by various other regulatory bodies, including the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

This report provides certain quantitative and qualitative information on Truist's LCR. It should be read in conjunction with Truist's Annual Report on Form 10-K for the year ended December 31, 2020 and Quarterly Report on Form 10-Q for the period ended June 30, 2021 and the Consolidated Financial Statements for Bank Holding Companies - FR Y-9C for the period ended June 30, 2021. Truist's SEC filings are located on its website at ir.truist.com/sec-filings**.**

II. Liquidity Coverage Ratio (LCR)

The U.S. Liquidity Coverage Ratio: Liquidity Risk Measurement Standards (the LCR Rule), was adopted in 2014 by the FRB, the Office of the Comptroller of the Currency (OCC), and the FDIC. In October 2019, the federal banking agencies adopted final rules for liquidity requirements that amend the LCR Rule such that bank holding companies with assets between $250 billion and $700 billion, and less than $75 billion in certain other risk-related exposures, (Category III institutions) would be subject to a reduced LCR requirement. Truist became a Category III institution effective January 1, 2020 after completing the merger of equals between BB&T and SunTrust on December 6, 2019.

The LCR Rule requires that institutions maintain an amount of unencumbered high-quality liquid assets (HQLA) that is sufficient to meet their estimated total net cash outflows over a prospective 30 calendar-day period of stress. The LCR is required to be a minimum of 100%. As a Category III institution, Truist's LCR is subject to a reduced LCR factor of 0.85 of total net cash outflows. Effective January 1, 2021, Truist's disclosures are based on daily averages.

The LCR Rule identifies HQLA eligibility criteria and limits the inclusion of subsidiary HQLA available in consolidation. The amount of HQLA held by Truist Bank that is in excess of its stand-alone 100% minimum LCR requirement, and that is not transferable to non-bank affiliates, must be excluded from Truist's reported HQLA (Excess HQLA).

The following table summarizes Truist's average LCR for the three months ending June 30, 2021.

Three Months Ended June 30, 2021 **(dollars in millions)**	**Average weighted amount (1)**
HQLA (2)	$ 83,537
Total adjusted net cash outflows	73,622
LCR	113 %
Excess HQLA	$ 40,193

(1) Represents the average weighted amount after applying regulatory prescribed (1) HQLA haircuts; and (2) cash outflow and inflow rates adjusted by 85 percent outflow adjustment, respectively.

(2) Excludes average excess HQLA at Truist Bank that are not transferable to Truist.

Truist's average LCR is driven by changes in total HQLA, including the composition of Level 1 and Level 2 assets, as well as changes in net cash outflows. For the quarterly period ended June 30, 2021, Truist's average reduced LCR was 113% and in compliance with the regulatory minimum for such entities of 100%. Truist's average LCR increased 2 percentage points during the three months ended June 30, 2021, compared with the three-month period ended March 31, 2021 due to a quarterly increase in Level 1 HQLA partially offset by net cash outflow attributed to deposit growth driven by continued government stimulus.

III. U.S. LCR Quantitative Disclosure

The table below presents detail on Truist's consolidated average LCR, including HQLA, Cash Outflow and Cash Inflow, for the three months ended June 30, 2021.

Three Months Ended June 30, 2021 **(dollars in millions)**		**Average Unweighted Amount**	**Average Weighted Amount**
HIGH-QUALITY LIQUID ASSETS			
1.	Total eligible high-quality liquid assets (HQLA), of which:	$ 84,723	$ 83,537
2.	Eligible level 1 liquid assets	76,815	76,815
3.	Eligible level 2A liquid assets	7,908	6,722
4.	Eligible level 2B liquid assets	—	—
CASH OUTFLOW AMOUNTS			
5.	Deposit outflow from retail customers and counterparties, of which:	$ 255,338	$ 16,588
6.	Stable retail deposit outflow	154,713	4,640
7.	Other retail funding	84,622	8,462
8.	Brokered deposit outflow	16,003	3,486
9.	Unsecured wholesale funding outflow, of which:	124,016	44,766
10.	Operational deposit outflow	57,028	14,174
11.	Non-operational funding outflow	66,832	30,436
12.	Unsecured debt outflow	156	156
13.	Secured wholesale funding and asset exchange outflow	19,449	3,049
14.	Additional outflow requirements, of which:	149,235	21,671
15.	Outflow related to derivative exposures and other collateral requirements	2,411	2,411
16.	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	146,824	19,260
17.	Other contractual funding obligations outflow	729	729
18.	Other contingent funding obligations outflow	34,329	1,032
19.	**TOTAL CASH OUTFLOW**	**$ 583,096**	**$ 87,835**
CASH INFLOW AMOUNTS			
20.	Secured lending and asset exchange cash inflow	$ 1,431	$ 80
21.	Retail cash inflow	1,923	961
22.	Unsecured wholesale cash inflow	2,508	1,296
23.	Other cash inflows, of which:	444	444
24.	Net derivative cash inflow	336	336
25.	Securities cash inflow	96	96
26.	Broker-dealer segregated account inflow	12	12
27.	Other cash inflow	—	—
28.	**TOTAL CASH INFLOW**	**$ 6,306**	**$ 2,781**
			Average Amount (1)
29.	**HQLA AMOUNT (2)**		**$ 83,537**
30.	**TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON**		**85,054**
31.	**MATURITY MISMATCH ADD-ON**		**1,560**
32.	**TOTAL UNADJUSTED NET CASH OUTFLOW AMOUNT**		**$ 86,614**
33.	**OUTFLOW ADJUSTMENT PERCENTAGE**		**85 %**
34.	**TOTAL ADJUSTED NET CASH OUTFLOW AMOUNT**		**$ 73,622**
35.	**LIQUIDITY COVERAGE RATIO (%)**		**113 %**

(1) The amounts reported in this column may not equal the calculation of those amounts using component amounts reported in rows 1-28 due to technical factors such as the application of the level 2 liquid asset caps and the total inflow cap.
(2) Excludes average excess HQLA at Truist Bank that are not transferable to non-bank affiliates.

IV. The Composition of Eligible HQLA

Eligible HQLA is the amount of unencumbered liquid assets that qualify for inclusion within the numerator based on the LCR Rule. The LCR Rule divides HQLA into Level 1 assets and Level 2 assets. Level 1 includes Federal Reserve Bank balances net of reserve requirements and the highest quality liquid and readily-marketable securities such as those issued or guaranteed by either the Department of the Treasury or a U.S. government agency. Level 2 assets are further divided into categories designated A and B. Level 2A assets are subject to a 15% haircut and include certain securities issued or guaranteed by a U.S. government-sponsored enterprise or sovereign entity not eligible as Level 1, subject to certain restrictions in the LCR rule. Level 2B assets are subject to a 50% haircut and include certain corporate debt securities, certain U.S. municipal securities, and publicly traded common equities.

For the three months ended June 30, 2021, Truist's average weighted HQLA was $83.5 billion, which includes $76.8 billion of eligible Level 1 assets and $6.7 billion of eligible Level 2 assets. Truist currently does not include any Level 2B assets as HQLA.

V. Total Adjusted Net Cash Outflows

Truist's net cash outflow and cash inflow amounts are calculated by multiplying average unweighted balances for assets, sources of funds, and obligations by standardized outflow and inflow rates as prescribed in the LCR rule. The largest drivers of Truist's weighted outflows are deposits, credit and liquidity commitments, and wholesale funding. Truist's cash inflow amounts are made up primarily of retail and wholesale contractual loan inflows. The total unadjusted net cash outflow includes a maturity mismatch add-on which captures the largest net maturity outflow over the 30-day calculation. Lastly, an outflow adjustment percentage of 85% is applied to the total unadjusted net cash outflow to arrive at total adjusted net cash outflow.

VI. Concentration of Funding Sources

Deposits

Truist's primary source of funding is a diversified base of client deposits. A significant portion of client deposits are retail deposits, as defined in the LCR rule. These deposits are considered a stable source of funding. For the three months ended June 30, 2021, Truist had total average unweighted retail deposits of $255.3 billion. In addition, for the three months ended June 30, 2021, Truist had total average unweighted unsecured wholesale operational deposits of $57.0 billion, and total average unweighted unsecured wholesale non-operational funding of $66.8 billion. The remaining deposit base includes public fund deposits which are included within LCR Quantitative Disclosure table line 13, secured wholesale funding and asset exchange outflow.

Wholesale Funding

Access to capital markets wholesale funding is required to the extent asset growth is in excess of what can be funded with deposits. Short-term borrowings may include federal funds purchased, Eurodollar deposits, commercial paper, repurchase agreements, borrowings secured by high-grade assets, and other short-term borrowings. Long-term funding consists primarily of medium-term notes issued from Truist in addition to bank notes and Federal Home Loan Bank advances issued through Truist Bank.

Wholesale funding is managed within liquidity policy tolerances, balance-sheet objectives, interest-rate risk considerations, and Truist's risk appetite framework. Management monitors wholesale funding to ensure appropriate maturity and funding source diversification.

VII. Derivative Exposure

Truist uses derivatives primarily to manage the economic risk related to securities, commercial loans, MSRs and mortgage banking operations, long-term debt and other funding sources. Truist also enters into derivatives as a market maker to facilitate hedging transactions for its clients. Truist's total net cash outflows related to derivative exposures and other collateral requirements amounted to less than 3% of total net cash outflows for the second quarter of 2021.

VIII. Liquidity Management

Liquidity Risk Management

Truist's liquidity objective is to meet demands for cash (including deposit withdrawals, payments, disbursements, debt maturity, interest, preferred and common stock dividends), while prudently managing funding costs. In order to accomplish this objective, Truist's Corporate Treasury function assesses liquidity needs that may occur in both the normal course of business and during times of unusual, adverse events, considering both on and off-balance sheet arrangements and commitments that may impact liquidity in certain business environments.

Liquidity is monitored both at a consolidated level and at the legal-entity level, with particular focus on the parent, bank, and broker-dealer entities. In this evaluation, Truist takes into account a legal entity's capital position, balance sheet position and outlook, market conditions for financial firms, relative access to wholesale funding, complexity of the organization, and unique liquidity risks. This process ensures the Company's liquidity profile is consistent with its risk appetite. Truist's Corporate Treasury, working with the lines of business, is responsible for liquidity risk management.

Liquidity Risk Oversight

Truist's Board of Directors (the Board) is responsible for overseeing Truist's Liquidity Risk. The Board or the Board Risk Committee (BRC) approve the liquidity risk appetite, Liquidity Risk Management Policy, and the Contingency Funding Plan. The BRC authorizes the Market Risk, Liquidity and Capital Committee (MRLCC), which is chaired by the Chief Financial Officer and whose membership includes the Chief Risk Officer and other members of Executive Leadership, to manage and oversee liquidity risk.

As noted above, day-to-day management of funding and liquidity risk, including stress testing, is the responsibility of Corporate Treasury. Market and Liquidity Risk Management (MLRM), part of the Risk Management Organization, conducts independent oversight of liquidity risk management activities. Further, Truist Audit Services conducts an independent assessment of the adequacy of internal controls, including procedural documentation, approval processes, reconciliations, and other mechanisms employed by Corporate Treasury and MLRM to ensure that liquidity risk is consistent with applicable policies, procedures, laws, and regulations.

For additional information, refer to the Funding Activities and Liquidity sections of Truist's Annual Report on Form 10-K for the year ended December 31, 2020 and Quarterly Report on Form 10-Q for the period ended June 30, 2021.