



# Truist Social Bond Impact Report

Investing in our communities



March 2022



## About Truist

Truist Financial Corporation is a purpose-driven financial services company committed to inspiring and building better lives and communities. Formed by a historic merger of equals, 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 with total assets of \$541 billion as of December 31, 2021. Truist Bank, Member FDIC. Learn more at [Truist.com](https://www.truist.com)

\$541B

Assets

~15M

Clients

50,000+

Teammates

## Table of contents

- Message from management ..... 3
- Introduction ..... 4
- Background on Truist’s ESG bond framework ..... 4
- Truist social bond issuance details ..... 5
- Impact metrics ..... 5
- Social project highlights ..... 6
- Third-party attestation ..... 7
- External review and management assertion ..... 8

**On the cover:** Truist provided \$22.3 million in construction financing and \$16.8 million in direct low-income housing tax credit equity for the development of a 133-unit mixed-income community in the Brooklyn neighborhood of downtown Jacksonville, Florida.

## From our Chief Legal Officer and Head of Public Affairs



Investing in our communities is the cornerstone of Truist's culture and one of the most tangible ways to deliver on our purpose to inspire and build better lives and communities. The past two years have highlighted the stark economic and racial disparities far too many communities still face, with the global pandemic hitting the most vulnerable even harder. As a purpose-driven organization, Truist needed to take action—to use our resources for good—and drive permanent, measurable change for the people and communities who count on us.

Truist's commitment to environmental, social, and governance (ESG) is significant, and we're working harder than ever to invest in affordable housing, support eligible social programs, and advance community development initiatives to ensure people don't just gain their footing, they thrive—now and in the future. The issuance of our first social

bond in 2021 was an important milestone on our journey, and underscores our ongoing commitment to advancing diversity, equity, and inclusion for all we serve.

Within this report, you'll learn more about the positive difference Truist's investments are making and our focus on creating financial solutions that continue to address the social challenges our communities face. We're proud of the progress but know there's more to do—and we look forward to playing an ongoing role in creating a more sustainable, equitable world.

—**Ellen Fitzsimmons**

Chief Legal Officer and Head of Public Affairs

# Truist's new social bond helps communities thrive

Our purpose is to inspire and build better lives and communities, and one way we're fulfilling that purpose is by investing in our communities. As part of that investment, and to further Truist's commitment to corporate social responsibility, in 2021 we became the first U.S. regional bank to issue a social bond.

Investing in our communities is a cornerstone of Truist's culture. Like the \$60 billion Community Benefits Plan before it—a three-year commitment of loans and investments for low- and moderate-income borrowers—net proceeds from the social bond will support communities in need. These efforts include social programs such as enhancements to essential nonprofit services and, as noted in more detail to the right, affordable housing.

## With \$1.25 billion in aggregate principal, the bond had:

Participation from more than 120 investors, including high-quality ESG dedicated portfolios

An order book that was oversubscribed by 2.7 times

The tightest new issue spread for a 6NC-5 note issued by a U.S. bank (50 basis-point spread to the benchmark Treasury yield)

# Our framework for investing in sustainability

Truist has developed an [ESG Bond Framework](#), which serves as our guide for supporting environmental and social initiatives that advance our sustainability objectives. The framework also addresses the four core components of the International Capital Markets Association (ICMA) Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines on use of funds; project selection and evaluation processes; management of proceeds; and reporting.

The Truist ESG Bond Framework guides our focus on affordable housing and is aligned to supporting the objectives outlined in the United Nations Sustainable Development Goal (SDG) 11: Sustainable Cities and Communities.



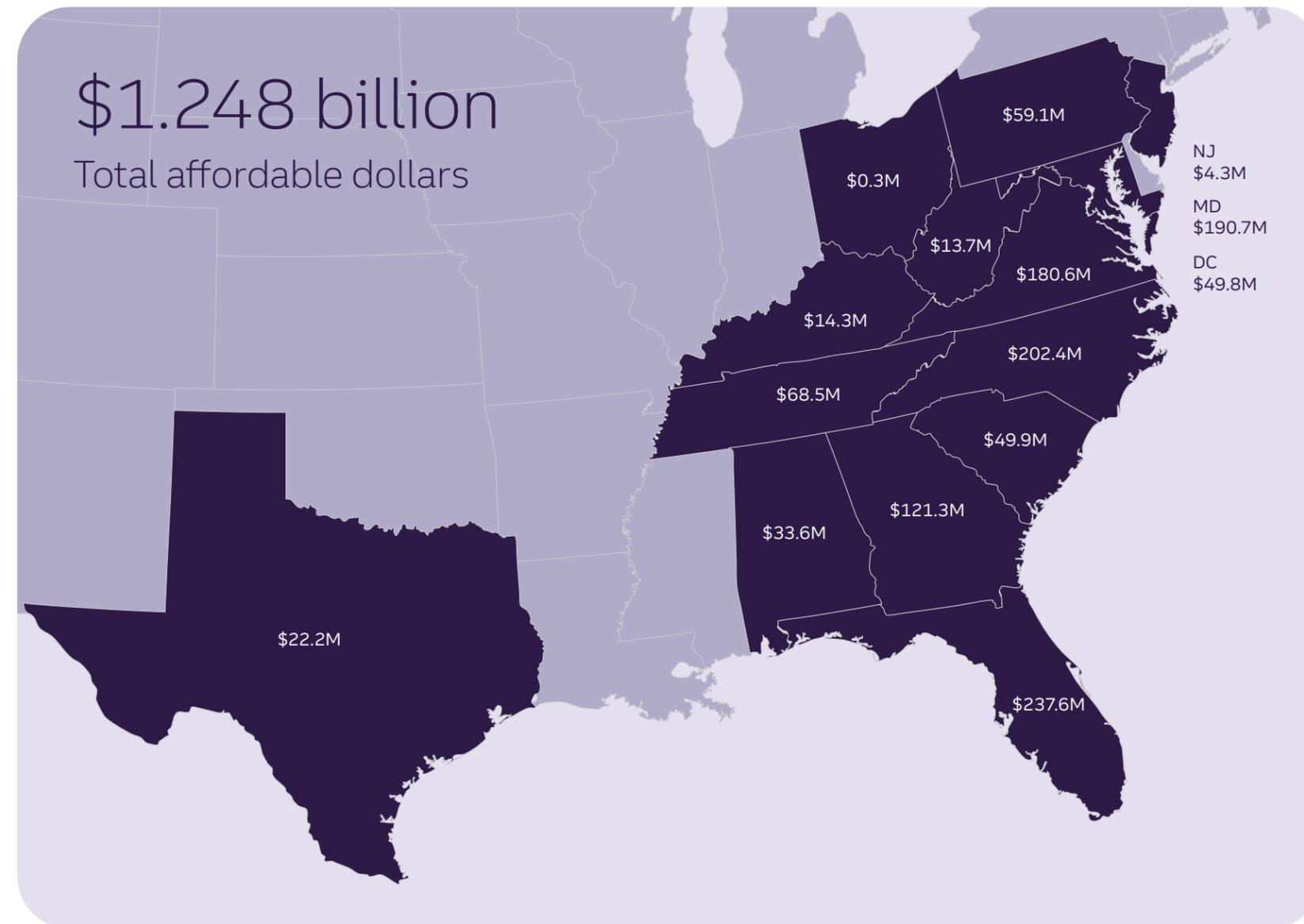
## SDG 11: Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient, and sustainable.

# Issuance details

<b>ISSUER</b>	Truist Financial Corporation
<b>ISSUE DATE</b>	March 2, 2021
<b>MATURITY DATE</b>	March 2, 2027
<b>CURRENCY</b>	USD
<b>PRINCIPAL AMOUNT</b>	\$1.25B
<b>NET PROCEEDS</b>	\$1.248B
<b>COUPON</b>	1.267% fixed-to-floating rate senior notes
<b>CUSIP</b>	89788MAD4

## Our social bond impact



**267**  
Developments



**15**  
States impacted



**22,000**  
Affordable units

Dollar numbers are rounded and are as of November 30, 2021

# Our commitment to housing for all

As part of our purpose, to inspire and build better lives and communities, Truist is committed to ensuring everyone has access to adequate, safe, and affordable housing. Here are a few of the projects we supported to further that goal.

## 22 Light Apartments in Baltimore, Maryland

This 40-unit mid-rise in downtown Baltimore is a reconstructed landmark. Formerly the warehouse location of Hunter Baltimore Rye and Whiskeys, the building was transformed as an adaptive reuse project. The project supports Baltimore's push for inclusionary housing, particularly in the high-rent area of downtown Baltimore. Today, it offers high ceilings, exposed brick, and affordable one-, two-, and three-bedroom apartments; 36 of the 40 units are restricted to households earning at or below 60% of Baltimore's area median income (AMI). Truist provided a combination of debt and equity, totaling more than \$23 million.

22 Light Apartments is certified as green under National Green Building Standards; sustainable features include Energy Star certified appliances and solar panels to offset utility costs in common areas.

## Cromwell Hills Apartments in Chattanooga, Tennessee

The newly renovated and upgraded 200-unit Cromwell apartment community is rent-restricted and qualifies for 100% project-based vouchers (HAP Section 8). The Chattanooga Housing Authority in partnership with Penrose Development secured a mixture of debt, tax-exempt bond, and low-income housing tax credit (LIHTC) equity for the project. Truist provided construction financing totaling \$14.9 million.

Renovations included repairing the community space to include a gymnasium; replacing the exterior siding; and upgrading kitchens and appliances, baths, flooring, HVAC systems, electrical services, plumbing, and insulation. The parking area expanded, and residents now have access to health and training programs.

## Abbington Village in Raleigh, North Carolina

Truist provided \$6.6 million in construction financing and \$9 million in direct LIHTC equity for the development of 85 affordable apartments in Raleigh. Forty-two of the units are one-bedroom, 24 have two bedrooms, and 19 are three-bedroom apartments. Accommodations have

been made for mobility-impaired residents in 10 of the units, and nine will be prioritized for people with disabilities and the currently unsheltered.

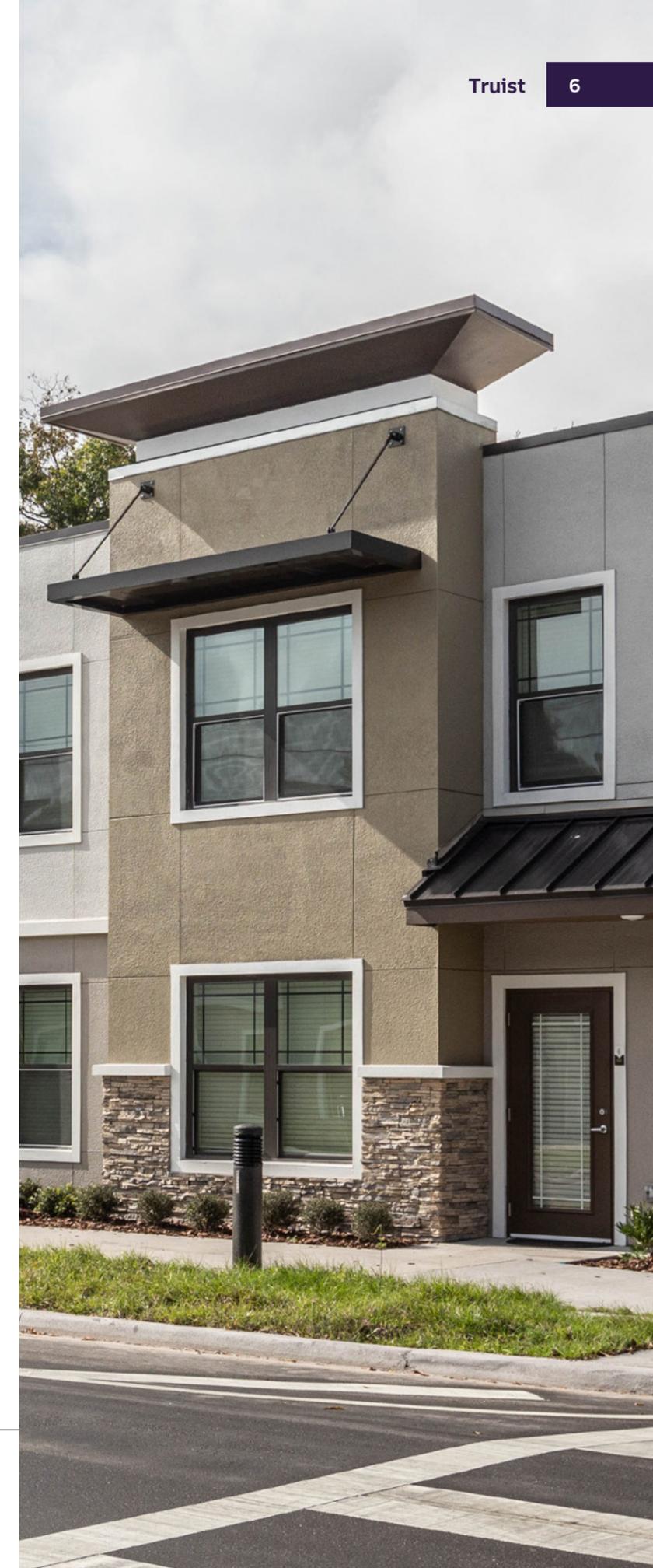
Abbington Village amenities include a clubhouse, a computer center, a covered picnic area, a playground, and an exercise room.

## Berkshire Court in Perry, Georgia

Berkshire Court is a 72-unit affordable housing community. There are 16 one-bedroom units, 32 units have two bedrooms, and 24 are three-bedroom units, all of which target lower-income families who earn up to 50% or 60% AMI. The building was developed to the EarthCraft Multifamily green building standards. It offers an after-school tutoring program and has a clubhouse, computer center, and laundry center.

In addition to the \$6.5 million in construction financing and \$12 million in federal and state LIHTC equity provided by Truist, the development received a \$2.5 million HOME Loan from the Georgia Department of Community Affairs.

Truist provided \$20.8 million in direct LIHTC equity for the development of Parramore Oaks, a 120-unit mixed-income community located in downtown Orlando, Florida.





22 Light Apartments supports Baltimore's push for inclusionary housing, particularly in downtown's high-rent area.



## Report of Independent Accountants

To the Management of Truist Financial Corporation

We have examined the accompanying management assertion of Truist Financial Corporation (the "Company") that all of the \$1,248,250,000 net proceeds from the March 2, 2021 issuance of the Medium-Term Notes, Series G Fixed-to-Floating Rate Senior Notes due March 2, 2027 (the "Notes") were used to finance or re-finance, in part or in full, new or existing Affordable Housing (as defined in management's assertion) up to 36 months prior to the issue date of the Notes through November 30, 2021. The Company's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Only the information included in the Company's management assertion is part of our examination engagement. The other information in this Social Bond Impact Report has not been subjected to the procedures applied in our examination engagement, and accordingly, we make no comment as to its completeness and accuracy and do not express an opinion or provide any assurance on such information.

In our opinion, management's assertion that all of the \$1,248,250,000 net proceeds from the March 2, 2021 issuance of the Notes were used to finance or re-finance, in part or in full, new or existing Affordable Housing up to 36 months prior to the issue date of the Notes through November 30, 2021 is fairly stated, in all material respects.

*PricewaterhouseCoopers LLP*

February 28, 2022

## External review

Sustainalytics, an independent provider of sustainability ratings, research, and advisory services, provided a second-party opinion that the Truist ESG Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018, Green Bond Principles 2018, and Social Bond Principles 2020. Sustainalytics considers that the eligible categories will lead to positive social impacts and advance the U.N. Sustainable Development Goals (SDGs).



Parramore Oaks in Orlando, Florida

## Management assertion

Truist Financial Corporation (“Truist”) is responsible for the completeness, accuracy, and validity of this management assertion. Management asserts that all of the \$1,248,250,000 net proceeds from the March 2, 2021 issuance of the Medium-Term Notes, Series G Fixed-to-Floating Rate Senior Notes due March 2, 2027 (the “Notes”) were used to finance or re-finance, in part or in full, new or existing Affordable Housing up to 36 months prior to the issue date of the Notes through November 30, 2021.

For purposes of this assertion, Affordable Housing is defined as investments or financings in properties for individuals and/or families with low- and moderate-incomes (“LMI”), determined by incomes less than 80% of the relevant area median income.

The following definitions have been applied for purposes of this assertion.

### Investments

Equity investments are in properties that qualify for low-income housing tax credits (LIHTCs), and therefore, also meet the criteria of investments in properties serving LMI individuals and/or families. Properties with LIHTCs are determined based on a review of the following:

- Investments in properties for which Truist has received IRS Form 8609, *Low Income Housing Credit Allocation and Certification*; or
- Investments in entities through which Truist provides equity to develop affordable housing properties that qualify for LIHTCs, evidenced by an operating or limited partnership agreement and other closing documents.

### Financings

A loan from Truist for the construction, preservation, or rehabilitation of properties that qualify as affordable housing for individuals and/or families with incomes less than 80% of the relevant area median income.

### Relevant area median income

Relevant area median income is determined by the Federal Financial Institutions Examination Council (FFIEC) using data provided by the Office of Management and Budget (OMB) and the United States Census Bureau (<https://data.census.gov/cedsci/>) as of the date of the asset's origination.

Refer to the “use of proceeds” section in the pricing supplement dated March 2, 2021, for additional categories of Eligible Social Assets to which proceeds may be allocated.