Pillar 3 Regulatory Capital Disclosures

Truist Financial Corporation

March 31, 2022

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Glossary of Defined Terms

Term	Definition
ACL	Allowance for credit losses
AD and CL	Acquisition and development and commercial land
AFS	Available-for-sale
Agency MBS	Mortgage-backed securities issued by a U.S. government agency or GSE
ALLL	Allowance for loan and lease losses
AOCI	Accumulated other comprehensive income (loss)
BOLI	Bank-owned life insurance
Basel III Rules	Rules issued by the FRB, OCC, and FDIC on capital adequacy and liquidity requirements in the U.S for banking organizations.
BB&T	BB&T Corporation and subsidiaries (changed to “Truist Financial Corporation” effective with the Merger)
BCBS	Basel Committee on Banking Supervision
BHC	Bank holding company
CAP	Capital Adequacy Process
CARES Act	The Coronavirus Aid, Relief, and Economic Security Act
CCAR	Comprehensive Capital Analysis and Review
CCP	Central clearing party
CD	Certificate of deposit
CDS	Credit default swaps
CECL	Current expected credit loss
CEIO	Credit-enhancing interest-only strip
CET1	Common equity tier 1
Company	Truist Financial Corporation and subsidiaries (interchangeable with “Truist” below)
COVID-19	Coronavirus disease 2019
CP	Construction and permanent
CRA	Community Reinvestment Act of 1977
CRE	Commercial real estate
CSA	Credit support annex
CVA	Credit valuation adjustment
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DVA	Debit valuation adjustment
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
FHC	Financial Holding Company
FRB	Board of Governors of the Federal Reserve System
GAAP	Accounting principles generally accepted in the United States of America
GSE	U.S. government-sponsored enterprise
HTM	Held-to-maturity
HVCRE	High volatility commercial real estate
ISDA	International Swaps and Derivatives Association, Inc.
LCR	Liquidity Coverage Ratio
LHFI	Loans and leases held for investment
LHFS	Loans held for sale
LIBOR	London Interbank Offered Rate
MBS	Mortgage-backed securities
MD&A	Management’s Discussion and Analysis
MDB	Multilateral development bank
Merger	Merger of BB&T and SunTrust effective December 6, 2019
NCCOB	North Carolina Office of the Commissioner of Banks
NPA	Nonperforming asset
NSFR	Net stable funding ratio
OCC	Office of the Comptroller of the Currency
OTC	Over-the-counter
Parent Company	Truist Financial Corporation, the parent company of Truist Bank and other subsidiaries
PSE	Public sector entity
PFE	Potential future exposure

Term	Definition
PPP	Paycheck Protection Program
PSE	Public sector entity
Rule	Basel III Final Rule
RWA	Risk-weighted assets
SCB	Stress Capital Buffer
SEC	Securities and Exchange Commission
SPE	Special purpose entity
SunTrust	SunTrust Banks, Inc.
SSFA	Simplified Supervisory Formula Approach
Tailoring Rules	Final rules changing the applicability thresholds for regulatory capital and liquidity requirements, issued by the OCC, FRB, and FDIC, together with the final rules changing the applicability thresholds for enhanced prudential standards issued by the FRB
TDR	Troubled debt restructuring
Truist	Truist Financial Corporation and subsidiaries
Truist Bank	Truist Bank
U.S.	United States of America
U.S. Treasury	United States Department of the Treasury

Introduction

Truist is a 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 FDIC and NCCOB, while Truist is supervised by the 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 information about Truist's capital structure, capital adequacy, risk exposures, RWA, and risk management framework. It should be read in conjunction with Truist's Annual Report on Form 10-K for the year ended December 31, 2021 and Quarterly Report on Form 10-Q for the period ended March 31, 2022 and the Consolidated Financial Statements for Bank Holding Companies - Form FR Y-9C for the period ended March 31, 2022. Truist's SEC filings are located on its website at ir.truist.com/sec-filings.

Pillar 3 Report Overview

The Basel framework consists of a three "Pillar" approach:

- Pillar 1 establishes minimum capital requirements, defines eligible capital instruments, and prescribes rules for calculating RWA.
- Pillar 2 requires banks to have an internal capital adequacy assessment process and requires that banking supervisors evaluate each bank's overall risk profile as well as its risk management and internal control processes.
- Pillar 3 encourages market discipline through disclosure requirements which allow market participants to assess the risk and capital profiles of banks.

The cross reference table located in the Appendix specifies the location of disclosures required by the Rule.

Basis of Consolidation

The basis of consolidation used for regulatory reporting is the same as that used under GAAP. The disclosures contained herein are on a consolidated basis unless otherwise noted. There are no entities within Truist that are deconsolidated for regulatory reporting, or whose capital is deducted. These disclosures have not been audited by the Company's external auditors.

See "Principles of Consolidation" in "Note 1. Basis of Presentation" in Truist's March 31, 2022 Form 10-Q for more information on the basis of consolidation.

Capital Structure

Truist and Truist Bank are subject to certain risk-based capital and leverage ratio requirements established by the FRB, for Truist, and by the FDIC, for Truist Bank. These requirements are based on the capital framework developed by the BCBS for strengthening the regulation, supervision, and risk management of banks under Basel III rules, as well as certain provisions of the Dodd-Frank Act. These quantitative calculations are minimums, and the FRB and FDIC may determine that a banking organization, based on its size, complexity, or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner. Failure to be well capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on Truist's operations or financial condition. These actions could include requiring Truist commit capital to Truist Bank in abnormal operating conditions which would otherwise be available to Truist's creditors and shareholders. Failure to be well capitalized or to meet minimum capital requirements could also result in restrictions on Truist's or Truist Bank's ability to pay dividends or otherwise distribute capital or to receive regulatory approval for acquisitions.

As of March 31, 2022, Truist and Truist Bank qualified as well capitalized, with capital levels in excess of the minimum regulatory capital requirements.

Definition of Capital

Regulatory capital includes the following elements:

- CET1 capital includes primarily common shareholders' equity subject to certain regulatory adjustments and deductions, which excludes the impact of goodwill, intangible assets, certain deferred tax assets, AOCI, and the impact of the CECL transition provision.
- Tier 1 capital includes primarily CET1 capital, perpetual preferred stock, and certain qualifying capital instruments.
- Tier 2 capital includes primarily qualifying subordinated debt and qualifying ACL. Tier 2 capital also includes, among other things, certain trust preferred securities.
- Total capital includes Tier 1 capital plus Tier 2 capital.

A reconciliation of total shareholders' equity to CET1 capital, Tier 1 capital, Tier 2 capital and Total capital is presented in Truist's March 31, 2022 Form FR Y-9C. Refer to the "Consolidated Balance Sheets" in Truist's March 31, 2022 Form 10-Q for the components of total shareholders' equity.

Capital in Subsidiaries

At March 31, 2022, the amount of surplus capital of insurance subsidiaries included in regulatory capital was not material.

RWA

Under the Rule, Truist's and Truist Bank's assets, exposures, and certain off-balance sheet items are subject to risk weights used to determine the institutions' RWA. These RWA are used to calculate the required minimum capital ratios for Truist and Truist Bank. See the "Capital Ratios" section herein for further discussion of the capital ratio components.

The RWA calculation is used in determining the institution's capital requirement. RWA under the standardized approach are generally based on supervisory risk weightings that vary by counterparty type and asset class. The predefined risk weight classifications generally range from 0% for U.S. government securities to 600% for certain equity exposures, with a maximum risk weight classification of 1,250% for certain securitization exposures.

Market Risk Rule

Certain large banking organizations with trading assets and liabilities above certain thresholds, including Truist, are subject to the Market Risk Rule and must adjust their risk-based capital ratios to reflect the market risk of their trading activities. Refer to the "Market Risk" section in the MD&A of the Truist's Annual Report on Form 10-K for the year ended December 31, 2021 and Quarterly Report on Form 10-Q for the period ended March 31, 2022 for additional disclosures related to market risk management.

Components of RWA

The following table presents Truist's RWA by exposure type at March 31, 2022:

Table 3-1
Basel III Standardized Transitional Approach RWA

(dollars in millions)	March 31, 2022
Credit risk (1):	
Corporate and consumer exposures (2)	$ 301,967
Exposure to residential mortgage loans	38,987
Exposure to GSEs	18,857
Equity exposures	14,415
Exposure to PSEs	5,442
Exposure to OTC derivatives	3,130
Securitization exposures	3,017
Exposure to HVCRE loans	2,135
Exposure to sovereign entities	1,734
Exposure to past due loans	1,025
Exposure to depository institutions, foreign banks and credit unions	1,006
Exposure to statutory multifamily mortgage	976
Unsettled transactions	50
Cleared transactions	11
Total standardized credit risk	392,752
Total standardized market risk	5,103
Total standardized RWA	$ 397,855

(1) Truist does not have any exposures to supranational entities and MDBs or default fund contributions.
(2) Corporate and consumer exposures also include other assets.

See the Company's March 31, 2022 Form Y-9C, Schedule HC-R Part I and Part II, on the FFIEC website for disclosures required by Basel III related to the following:

- Total standardized RWA by exposure type, including the related on- and off-balance sheet exposure;
- Standardized market RWA as calculated under the Market Risk Rule. Additional details are also available in the FFIEC 102 report on the FFIEC's website; and
- CET1, Tier 1 capital, and Total risk-based capital components and related calculations.

Capital Ratios

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated pursuant to regulatory directives. Truist's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Truist is in full compliance with these requirements. Banking regulations also identify five capital categories for insured depository institutions: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized. At March 31, 2022, Truist and Truist Bank were classified as "well capitalized," and management believes that no events or changes have occurred subsequent to period end that would change this designation.

To avoid certain regulatory restrictions, Truist and Truist Bank are required to maintain minimum ratios of CET1 ratio of 4.5%, Tier 1 capital ratio of 6%, Total capital to risk-weighted assets ratio of 8%, Tier 1 capital to quarterly average tangible assets (leverage ratio) of 4%, and Tier 1 capital to total exposures (supplementary leverage) of 3%.

Capital conservation buffer and Stress Capital Buffer

Truist and Truist Bank are subject to certain risk-based capital and leverage ratio requirements established by the FRB, for Truist, and by the FDIC, for Truist Bank. These requirements are based on the capital framework developed by the BCBS for strengthening the regulation, supervision, and risk management of banks under Basel III rules, as well as certain provisions of the Dodd-Frank Act. These quantitative calculations are minimums, and the FRB and FDIC may determine that a banking organization, based on its size, complexity, or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner. Failure to be well capitalized or to meet minimum capital requirements could result in certain mandatory and discretionary actions by regulators that, if undertaken, could have an adverse material effect on Truist's operations or financial condition. These actions could include requiring Truist commit capital to Truist Bank in abnormal operating conditions which would otherwise be available to Truist's creditors and shareholders. Failure to be well capitalized or to meet minimum capital requirements could also result in restrictions on Truist's or Truist Bank's ability to pay dividends or otherwise distribute capital or to receive regulatory approval for acquisitions.

Truist's SCB is equal to the greater of (i) the difference between its starting and minimum projected CET1 capital ratios under the severely adverse scenario in the supervisory stress test, plus the sum of the dollar amount of its planned common stock dividends for each of the fourth through seventh quarters of the planning horizon as a percentage of risk-weighted assets, or (ii) 2.5%. The FRB assigned Truist an SCB of 2.5%, which is effective from October 1, 2021 through September 30, 2022, at which point a revised SCB will be calculated and provided to Truist. Although the final rule continues to require that the firm describe its planned capital distributions in its CCAR capital plan, Truist is no longer required to seek prior approval if it makes capital distributions in excess of those included in its CCAR capital plan. Instead, Truist is subject to automatic distribution limitations if its capital ratios fall below its buffer requirements, which include the SCB.

For certain large banking organizations, the SCB could be supplemented by a countercyclical capital buffer of up to an additional 2.5% of risk-weighted assets. This buffer is currently set at zero. An FRB policy statement establishes the framework and factors the FRB would use in setting and adjusting the amount of the countercyclical capital buffer. Covered banking organizations would generally have 12 months after the announcement of any increase in the countercyclical capital buffer to meet the increased buffer requirement, unless the FRB determines to establish an earlier effective date. If the full countercyclical buffer amount is implemented, Truist and Truist Bank would be required to maintain a CET1 capital ratio of at least 9.5%, a Tier 1 capital ratio of at least 11.0%, and a Total capital ratio of at least 13.0% to avoid limitations on capital distributions and certain discretionary incentive compensation payments. See additional discussion related to the capital conservation buffer and SCB in Truist's Annual Report on Form 10-K for the year ended December 31, 2021 and Quarterly Report on Form 10-Q for the period ended March 31, 2022.

Truist and Truist Bank are subject to a Tier 1 leverage ratio, equal to the ratio of Tier 1 capital to quarterly average assets, net of goodwill, certain other intangible assets, and certain other deductions. Category III banking organizations are also subject to a minimum 3.0% supplementary leverage ratio. The supplementary leverage ratio is calculated by dividing Tier 1 capital by total leverage exposure, which takes into account on-balance sheet assets as well as certain off-balance sheet items, including loan commitments and potential future exposure of derivative contracts.

The total minimum regulatory capital ratios and well capitalized minimum ratios applicable to Category III banking organizations at March 31, 2022 are reflected in the table below. The FRB has not yet revised the well capitalized standard for BHCs to reflect the higher capital requirements imposed under the Basel III Rules. For purposes of certain FRB rules, including determining whether a BHC meets the requirements to be a FHC, BHCs, such as Truist, must maintain a Tier 1 Risk-Based Capital Ratio of 6.0% or greater and a Total Risk-Based Capital Ratio of 10.0% or greater. The FRB may require BHCs, including Truist, to maintain capital ratios substantially in excess of mandated minimum levels, depending upon general economic conditions and a BHC's particular condition, risk profile, and growth plans.

Table 3-2
Capital Requirements
March 31, 2022

		Well Capitalized		Minimum Capital Plus Stress Capital Buffer (1)
	Minimum Capital	Truist	Truist Bank	
CET1	4.5 %	NA	6.5 %	7.0 %
Tier 1 capital	6.0	6.0 %	8.0	8.5
Total capital	8.0	10.0	10.0	10.5
Leverage ratio	4.0	NA	5.0	NA
Supplementary leverage ratio	3.0	NA	NA	NA

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

For additional information refer to “Item 1. Business” section and the “Capital” MD&A section in Truist’s Annual Report on Form 10-K for the year ended December 31, 2021 and the “Capital” MD&A section in Truist’s Quarterly Report on Form 10-Q for the period ended March 31, 2022.

The following table presents regulatory capital and risk-based capital ratios for Truist and Truist Bank at March 31, 2022:

Table 3-3
Capital Ratios
March 31, 2022

(dollars in millions)	Ratio	Amount
Truist:		
CET1	9.4 %	$ 37,225
Tier 1 capital	11.0	43,895
Total capital	13.0	51,599
Leverage	8.6	43,895
Supplementary leverage ratio	7.3	43,895
Truist Bank:		
CET1	10.2 %	$ 39,484
Tier 1 capital	10.2	39,484
Total capital	11.7	45,468
Leverage	7.9	39,484
Supplementary leverage ratio	6.8	39,484

Other Capital Ratio Considerations

Revisions to Definition of Eligible Retained Income

The U.S. banking agencies have adopted a final rule altering the definition of eligible retained income. Under the final rule, eligible retained income is the greater of a firm’s (i) net income for the four preceding calendar quarters, net of any distributions and associated tax effects not already reflected in net income, and (ii) average net income over the preceding four quarters. This definition applies with respect to all of Truist’s capital requirements.

Current Expected Credit Losses Methodology

In 2020, the U.S. banking agencies adopted a final rule that permits banking organizations that implemented CECL before the end of 2020 to elect to follow the three-year transition available under the prior rule or a new five-year transition to phase in the effects of CECL on regulatory capital. Under the five-year transition, the banking organization would defer for two years 100% of the day-one effect of adopting CECL and 25% of the cumulative increase or decrease in the allowance for credit losses since adoption of CECL. Following the first two years, the electing organization will phase out the aggregate capital effects over the next three years consistent with the transition in the original three-year transition rule. Truist has elected to use the five-year transition to phase in the impacts of CECL on regulatory capital. The impact on CET1 for the first quarter of 2022 related to the phase in was 13 basis points, representing one-fourth of the phase in. The remaining phase in will be amortized ratably in the first quarter of each of the next three years.

Capital Adequacy Process

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 and its subsidiaries, and provide a competitive return to shareholders.

Enhanced Prudential Standards and Regulatory Tailoring Rules

Certain U.S. BHCs, including Truist, are subject to enhanced prudential standards. As such, Truist is subject to more stringent liquidity and capital requirements, leverage limits, stress testing, resolution planning and risk management standards than those applicable to smaller institutions. Truist is subject to the FRB's single-counterparty credit limit rule and is also subject to a limit of 25% of Tier 1 capital for aggregate net credit exposures, including exposure resulting from, among other transactions, extensions of credit, repurchase and reverse repurchase transactions, investments in securities and derivative transactions, to any other unaffiliated counterparty.

Under the Tailoring Rules, Truist is subject to the standards applicable to Category III banking organizations, which generally include bank holding companies with greater than $250 billion, but less than $700 billion, in total consolidated assets and less than $75 billion in certain risk-related exposures.

Certain BHCs and their bank subsidiaries, including Truist and Truist Bank, are subject to a minimum LCR. The LCR is designed to ensure that BHCs have sufficient high-quality liquid assets to survive a significant liquidity stress event lasting for 30 calendar days.

Truist also is subject to FRB rules that require certain large BHCs to conduct internal liquidity stress tests over a range of time horizons, maintain a buffer of highly liquid assets sufficient to meet projected net outflows under the BHC's 30-day liquidity stress test, and maintain a contingency funding plan that meets certain requirements.

Effective July 2021, Truist became subject to rules implementing the NSFR, which are designed to ensure that banking organizations maintain a stable, long-term funding profile in relation to their asset composition and off-balance sheet activities. The NSFR, calculated as the ratio of available stable funding to required stable funding, must exceed 1.0x. Available stable funding represents a weighted measure of a company's funding sources over a one-year time horizon, calculated by applying standardized weightings to the company's equity and liabilities based on their expected stability. Required stable funding is calculated by applying standardized weightings to assets, derivatives exposures, and certain other items based on their liquidity characteristics. As a Category III banking organization, Truist and Truist Bank are subject to an NSFR requirement equal to 85% of the full requirement. At March 31, 2022, the Company was compliant with this requirement. Truist's "Liquidity Coverage Ratio Disclosure" are located on its website at ir.truist.com/other-filings.

See Truist's Annual Report on Form 10-K for the year ended December 31, 2021 for a discussion of requirements for Category III banking organizations.

Capital Planning and Stress Testing Requirements

Truist regularly performs stress testing on its capital levels and is required to periodically submit the Company's capital plans and stress testing results to the banking regulators. 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 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 FRB for the annual CCAR process. Breaches of stressed minimum targets prompt a review of the planned capital actions included in Truist's capital plan.

Truist must submit an annual capital plan to the FRB that reflects its projected financial performance under baseline and stressful macroeconomic conditions, and proposed capital distributions must meet SCB requirements based on the FRB's annual CCAR process. Truist generally may pay dividends and interest on capital securities and repurchase or retire capital securities in accordance with a capital plan that meets SCB requirements.

The FRB's CCAR framework and the Dodd-Frank Act stress testing framework also require BHCs subject to Category III standards, such as Truist, to conduct company-run stress tests and submit to supervisory stress tests conducted by the FRB. The company-run stress tests employ stress scenarios provided by the FRB and incorporate the Dodd-Frank Act capital actions, which are intended to normalize capital distribution assumptions across large U.S. BHCs. In addition, Truist is required to conduct annual stress tests using internally-developed scenarios intended to stress the unique risk profile of the institution. The FRB also conducts CCAR and Dodd-Frank Act supervisory stress tests employing internal models on the supervisory stress scenarios. As a Category III banking organization, Truist is subject to supervisory stress testing on an annual basis and company-run stress testing on a biennial basis.

Risk Management

Truist maintains a comprehensive risk management framework supported by people, processes and systems to identify, measure, monitor, manage, and report significant risks arising from its exposures and business activities. Effective risk management involves appropriately balancing risk and return, operating in a safe and sound manner, and complying with applicable laws and regulations. The Company's risk management framework is designed to ensure that business strategies and objectives are executed in alignment with its risk appetite.

Truist is committed to fostering a culture that supports transparency and escalation of risks across the organization. All teammates are responsible for upholding the Company's purpose, mission, and values, and are encouraged to speak up if there is any activity or behavior that is inconsistent with the Company's culture. The Truist Code of Ethics guides and unites the Company's decision making and informs teammates on how to act in the absence of specific guidance.

Capital, liquidity, and resolution and recovery planning are overseen by various oversight committees. Regular reporting is provided to the Board of Directors and Executive Leadership on the assessments of risk, stress test results, and governance of the models and tools used for these processes including CAP.

The Board of Directors meets regularly to provide oversight regarding the management, objectives, and goals of the organization with regard to capital adequacy. Stress testing methodologies ensure the information provided captures forecasted losses for all material elements of the balance sheet and income statement. These results are provided for the baseline and stress scenarios, enabling the Board of Directors and risk committees to review expected performance against capital goals, targets, and risk appetite.

Refer to the "Risk Management" and "Capital" sections of the MD&A in Truist's Annual Report on Form 10-K for the year ended December 31, 2021 and Quarterly Report on Form 10-Q for the period ended March 31, 2022 for more information regarding the Company's risk management framework and CAP.

Credit Risk

Credit risk is the risk to current or anticipated earnings or capital arising from the default, inability, or unwillingness of a borrower, obligor, or counterparty to meet the terms of any financial obligation to Truist or otherwise perform as agreed. Credit risk exists in all activities where success depends on the performance of a borrower, obligor, or counterparty. Credit risk arises when Truist funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether on or off-balance sheet. Credit risk increases when the credit quality of an issuer whose securities or other instruments the bank holds deteriorates.

Truist has established the following general practices to manage credit risk:

- limiting the amount of credit that Truist may extend to a borrower;
- establishing a process for credit approval accountability;
- careful initial underwriting and analysis of borrower, transaction, market, and collateral risks;
- ongoing servicing and monitoring of individual loans and lending relationships;
- continuous monitoring of the portfolio, market dynamics, and the economy; and
- periodically reevaluating the Company's strategy and overall exposure as economic, market, and other relevant conditions change.

Truist regularly monitors various segments of its credit portfolios to assess potential concentration risks. Management is actively involved in the credit approval and review process, and risk acceptance criteria are adjusted as needed to reflect the Company's risk appetite. Consistent with established risk management objectives, the Company utilizes various risk mitigation techniques, including collecting collateral and security interests, obtaining guarantees, and, to a limited extent, through the purchase of credit loss protection via third party insurance and/or use of credit derivatives such as CDS.

The Company categorizes its loan portfolio into three segments: commercial lending, consumer lending, and credit card. The Company further disaggregates its commercial and consumer loans into various classes based on their underlying risk characteristics.

In the commercial portfolio, risk concentrations are evaluated regularly on both an aggregate portfolio level and on an individual client basis. The Company manages its commercial exposure through portfolio targets, limits, and transactional risk acceptance criteria as well as other techniques, including but not limited to, loan syndications/participations, loan sales, collateral, structure, covenants, and other risk-reduction techniques. The accompanying disclosures are presented net of participations sold.

In the consumer portfolio, concentrations are evaluated based on purpose, geographic location, and risk characteristics such as credit rating, loan-to-value ratio, and term, with a focus on trends and concentrations at the portfolio level where potential risk concentrations can be remedied through changes in underwriting policies and portfolio guidelines.

Additional disclosures related to the Company's credit exposures and credit risk policies are included in Truist's Annual Report on Form 10-K for the year ended December 31, 2021 and Quarterly Report on Form 10-Q for the period ended March 31, 2022.

Maturities

The following tables provide the remaining maturity distribution by category for loans and leases and off balance sheet credit commitments, which includes unfunded commitments and letters of credit. The contractual amounts of off balance sheet credit commitments represent the maximum exposure to credit loss in the event of default by the borrower if the borrower were to fully draw against the commitment. The Company manages this credit risk using the same credit policies it applies to loans. Management assesses the borrower's credit worthiness to determine the necessary collateral, which may include marketable securities, receivables, inventory, equipment, and real estate. For additional information, refer to the "Lending Activities" section of the MD&A in Truist's Annual Report on Form 10-K for the year ended December 31, 2021 and Quarterly Report on Form 10-Q for the period ended March 31, 2022.

Table 5-1
Carrying Amount of Loans and Leases by Maturity and Exposure Type
March 31, 2022

(Dollars in millions)	One Year and Less	1 to 5 Years	5 to 15 Years	After 15 Years	Total
Commercial:					
Commercial and industrial	$ 25,343	$ 76,450	$ 31,955	$ 7,312	$ 141,060
CRE	2,758	14,228	5,731	57	22,774
Commercial construction	36	4,563	620	1	5,220
Retail:					
Residential mortgage	22	610	4,874	42,665	48,171
Residential home equity and direct	398	7,581	8,413	8,461	24,853
Indirect auto	290	13,740	11,726	—	25,756
Indirect other	174	4,343	2,982	3,544	11,043
Student (1)	—	—	—	6,514	6,514
Credit card	4,690	—	—	—	4,690
Total	$ 33,711	$ 121,515	$ 66,301	$ 68,554	$ 290,081

(1) Student loans are presented with maturities of fifteen years or more. The majority of student loan agreements held by the Company do not define maturity dates because the start of loan repayment depends on the types of deferment periods and grace periods offered.

The ending and average contract (notional) amounts of off balance sheet credit commitments, excluding those commitments considered derivatives, are shown below. Average amounts are based upon the simple average of the current and prior quarter ending balances.

Table 5-2
Off Balance Sheet Credit Commitments Maturity by Exposure Type
March 31, 2022

(Dollars in millions)	One Year and Less	1 to 5 Years	5 to 15 Years	After 15 Years	Total (1)	Average Balance
Commercial:						
Commercial and industrial	$ 36,211	$ 92,460	$ 1,960	$ 494	$ 131,125	$ 129,516
CRE	304	882	97	—	1,283	1,463
Commercial construction	1,031	5,442	168	58	6,699	6,365
Retail:						
Residential mortgage (2)	1	—	204	4,444	4,649	4,463
Residential home equity and direct	3,188	10,872	16,668	418	31,146	31,015
Indirect other	—	—	2	—	2	71
Credit card	23,960	—	—	—	23,960	23,962
Total unfunded commitments (3)	$ 64,695	$ 109,656	$ 19,099	$ 5,414	$ 198,864	$ 196,855
Letters of credit:						
Standby (3)	$ 1,852	$ 3,199	$ 29	$ —	$ 5,080	$ 4,993
Commercial	17	19	—	—	36	38

(1) Approximately $51.7 billion are unconditionally cancellable for the purposes of calculating regulatory capital.
(2) The maturities of residential mortgage loan commitments are based on the loan maturities upon funding.
(3) Excludes $3.8 billion of unfunded commitments and $702 million of letters of credit that have been conveyed to others.

Geographic Disclosures

The following tables provide the geographical distribution of commercial and consumer exposures. For the geographic disclosures, amounts are generally assigned to a state based on the physical billing address of the client or physical property address. The credit exposure includes loans and contractual commitments to extend credit. Commercial loans that are 90 days or more past due and accruing interest are immaterial. Government guaranteed loans are not placed on nonaccrual status regardless of delinquency because collection of principal and interest is reasonably assured. The past due status of loans that received a deferral under the CARES Act is generally frozen during the deferral period. In certain limited circumstances, accommodation programs result in the delinquency status being reset to current.

Table 5-3
Commercial Credit Exposure by Geography
March 31, 2022

		Accruing	Nonperforming		
(Dollars in millions)	LHFI	30-89 Days Past Due	Amount Without an ALLL	Amount With an ALLL	Unfunded Commitments
Commercial and industrial:					
Florida	$ 18,716	$ 48	$ 26	$ 59	$ 11,927
North Carolina	13,621	10	36	7	8,653
Texas	13,345	29	1	43	14,011
Georgia	13,062	65	12	8	9,580
Virginia	9,834	17	—	12	10,686
Pennsylvania	6,902	9	15	2	5,250
New York	6,642	2	17	32	8,051
Maryland	6,122	7	2	7	5,415
California	6,006	8	—	1	9,087
Tennessee	5,476	31	—	2	4,480
South Carolina	3,829	7	—	1	2,429
Illinois	3,280	2	—	—	4,098
New Jersey	3,135	4	—	1	2,798
Ohio	3,123	1	—	—	3,147
Other	27,967	40	30	16	31,513
Total commercial and industrial	$ 141,060	$ 280	$ 139	$ 191	$ 131,125
CRE:					
Florida	$ 3,213	$ 4	$ 7	$ 1	$ 149
North Carolina	2,947	3	—	—	249
Georgia	2,162	—	—	—	91
California	1,895	—	11	—	173
Virginia	1,663	1	—	—	99
Texas	1,496	—	—	—	57
Maryland	1,424	1	—	1	51
Pennsylvania	1,313	1	—	3	90
New York	1,236	—	—	1	121
District of Columbia	804	—	—	—	21
Other	4,621	3	—	3	182
Total CRE	$ 22,774	$ 13	$ 18	$ 9	$ 1,283
Commercial construction:					
North Carolina	$ 895	$ —	$ —	$ —	$ 1,180
Georgia	835	—	—	—	1,080
Texas	681	—	—	—	974
Florida	623	—	—	—	809
New York	300	—	—	—	258
Other	1,886	1	—	—	2,398
Total commercial construction	$ 5,220	$ 1	$ —	$ —	$ 6,699
Total commercial	$ 169,054	$ 294	$ 157	$ 200	$ 139,107

Table 5-4
Consumer Credit Exposure by Geography
March 31, 2022

		Accruing		Nonperforming		
(Dollars in millions)	LHFI	30-89 Days Past Due	90 or More Days Past Due (1)	Amount Without an ALLL	Amount With an ALLL	Unfunded Commitments
Residential mortgage:						
Florida	$ 7,512	$ 84	$ 107	$ 1	$ 58	$ 658
Virginia	5,452	47	114	—	44	315
North Carolina	5,198	60	97	1	35	486
Maryland	4,596	58	106	1	29	235
Georgia	4,531	57	89	1	31	362
California	3,547	20	18	—	17	358
Texas	2,370	31	72	—	7	403
South Carolina	1,852	20	32	—	10	171
District of Columbia	1,291	5	9	—	9	62
Tennessee	1,158	12	23	—	3	143
Washington	1,110	4	8	—	2	167
Pennsylvania	1,047	26	32	—	17	75
New Jersey	1,004	8	20	—	4	87
Massachusetts	979	6	13	—	—	73
Colorado	969	8	10	—	2	190
Illinois	707	4	25	—	3	131
New York	615	5	24	—	10	34
Other	4,233	87	228	1	29	699
Total residential mortgage	$ 48,171	$ 542	$ 1,027	$ 5	$ 310	$ 4,649
Residential home equity and direct:						
Florida	$ 4,900	$ 33	$ 4	$ —	$ 35	$ 6,761
North Carolina	3,058	13	1	—	15	5,814
Virginia	2,842	15	1	—	18	5,226
Georgia	2,487	14	1	—	13	3,233
Pennsylvania	1,482	6	1	1	14	1,809
Maryland	1,395	9	1	—	12	2,117
Texas	1,293	5	—	—	3	624
Tennessee	993	6	1	—	5	1,596
South Carolina	985	4	—	—	5	1,786
California	838	3	—	—	1	180
Other	4,580	34	2	2	17	2,000
Total residential home equity and direct	$ 24,853	$ 142	$ 12	$ 3	$ 138	$ 31,146
Indirect auto:						
Texas	$ 4,055	$ 93	$ —	$ 1	$ 37	$ —
Florida	3,370	58	—	—	22	—
North Carolina	2,922	43	—	—	17	—
Georgia	2,381	46	—	—	19	—
Virginia	1,533	22	—	—	10	—
Maryland	1,306	20	—	—	9	—
South Carolina	1,159	16	—	—	7	—
Alabama	1,115	19	—	—	9	—
Pennsylvania	896	21	—	—	9	—
Tennessee	889	12	—	—	6	—
New York	597	16	—	—	8	—
Other	5,533	163	1	2	71	—
Total indirect auto	$ 25,756	$ 529	$ 1	$ 3	$ 224	$ —
Indirect other:						
Texas	$ 1,434	$ 6	$ 1	$ —	$ —	$ —
Florida	1,291	7	—	—	—	—
California	893	6	1	—	—	—
North Carolina	526	2	—	—	—	—
New York	441	2	—	—	—	—
Other	6,458	42	—	—	4	2
Total indirect other	$ 11,043	$ 65	$ 2	$ —	$ 4	$ 2

Table 5-4
Consumer Credit Exposure by Geography
March 31, 2022

(Dollars in millions)	LHFI	Accruing: 30-89 Days Past Due	Accruing: 90 or More Days Past Due (1)	Nonperforming: Amount Without an ALLL	Nonperforming: Amount With an ALLL	Unfunded Commitments
Student:						
Pennsylvania	$ 586	$ 43	$ 71	$ —	$ —	$ —
Texas	522	40	87	—	—	—
New York	483	39	55	—	—	—
California	453	29	43	—	—	—
Florida	417	32	46	—	—	—
Other	4,053	299	520	—	—	—
Total student	$ 6,514	$ 482	$ 822	$ —	$ —	$ —
Total consumer	$ 116,337	$ 1,760	$ 1,864	$ 11	$ 676	$ 35,797

(1) Includes government guaranteed residential mortgages of $996 million and government guaranteed student loans of $818 million as of March 31, 2022.

Table 5-5
Credit Card Exposure by Geography
March 31, 2022

March 31, 2022 (Dollars in millions)	LHFI	Accruing: 30-89 Days Past Due	Accruing: 90 or More Days Past Due	Unfunded Commitments
North Carolina	$ 934	$ 7	$ 4	$ 4,495
Florida	918	12	7	5,245
Virginia	736	6	2	3,902
Georgia	570	6	3	2,678
Maryland	287	2	2	1,468
Other	1,245	14	10	6,172
Total credit card	$ 4,690	$ 47	$ 28	$ 23,960

There are no nonperforming credit card loans as they are charged-off rather than being reclassified as nonperforming.

Investment Securities

Truist invests in securities allowable under bank regulations. These securities are classified as AFS and HTM and may include obligations of the U.S. Treasury, U.S. government agencies, GSEs (including MBS), bank eligible obligations of any state or political subdivision, non-agency MBS, structured notes, bank eligible corporate obligations (including corporate debentures), commercial paper, negotiable CDs, bankers acceptances, mutual funds, and limited types of equity securities. The most important feature management relies on when assessing credit risk for U.S. Treasury securities and Agency MBS is the guarantee of the Federal government or its agencies.

U.S. Treasury, GSE, and Agency MBS represented 97% of the total securities portfolio as of March 31, 2022.

Industry Disclosures

The following tables provide industry distribution by major types of commercial credit exposure. The credit exposure includes loans and contractual commitments to extend credit. Commercial loans that are 90 days or more past due and accruing interest are immaterial. Industry classification for commercial and industrial loans is based on the North American Industry Classification System. Commercial real estate loans are classified based on type of property. Consumer credit exposures and credit card exposures have been excluded from these tables.

Table 5-6
Commercial Credit Exposure by Industry
March 31, 2022

		Accruing	Nonperforming		
(Dollars in millions)	LHFI	30-89 Days Past Due	Amount Without an ALLL	Amount With an ALLL	Unfunded Commitments
Commercial and industrial:					
Finance and insurance	$ 17,246	$ 27	$ —	$ 5	$ 20,151
Manufacturing	12,478	11	7	36	19,667
Health care and social assistance	10,803	25	—	41	6,013
Retail trade	9,028	4	—	2	15,365
Wholesale trade	8,344	7	15	3	8,602
Public administration	7,912	25	—	2	1,227
Real estate and rental and leasing	7,752	6	1	1	7,736
Information	5,949	—	18	9	8,379
Educational services	4,630	7	—	—	1,622
Transportation and warehousing	4,507	1	6	1	6,522
Utilities	4,301	—	—	—	5,659
Professional, scientific, and technical services	3,888	7	—	33	5,803
Administrative and support and waste management and remediation services	2,991	7	12	1	3,016
Construction	2,921	7	—	1	4,414
Other	14,410	95	41	32	14,535
Subtotal	117,160	229	100	167	128,711
Business owner occupied	23,900	51	39	24	2,414
Total commercial and industrial	$ 141,060	$ 280	$ 139	$ 191	$ 131,125
CRE:					
Office	$ 5,540	$ 6	$ 11	$ 1	$ 307
Retail	5,045	3	—	3	103
Multifamily	4,007	—	—	1	211
Hotel	3,027	—	—	1	21
Industrial	2,755	—	—	—	271
Other	2,400	4	7	3	370
Total CRE	$ 22,774	$ 13	$ 18	$ 9	$ 1,283
Commercial construction:					
Multifamily	$ 2,096	$ —	$ —	$ —	$ 3,147
Single Family - CP	932	—	—	—	2,048
Industrial	575	—	—	—	604
Office	570	—	—	—	358
Single Family - AD and CL	357	—	—	—	187
Other	690	1	—	—	355
Total commercial construction	$ 5,220	$ 1	$ —	$ —	$ 6,699
Total commercial	$ 169,054	$ 294	$ 157	$ 200	$ 139,107

Counterparty Credit Risk-Related Exposures

Counterparty credit risk is the risk that a counterparty to a transaction with the Company fails to perform. This risk is a byproduct of transactions undertaken by the Company to facilitate a client's financing and hedging needs and can also result from the Company's normal balance sheet management, risk management, and funding activities. Counterparty risk is a category of credit risk often associated with capital markets activities, including OTC derivatives and securities financing.

For further information on counterparty credit risk, refer to "Risk Management" in the MD&A, "Note 3. Securities Financing Activities" and "Note 16. Derivative Financial Instruments" in the Truist's Quarterly Report on Form 10-Q for the period ended March 31, 2022 and "Note 1. Basis of Presentation" in Truist's Annual Report on Form 10-K for the year ended December 31, 2021.

OTC derivatives

As a dealer and market maker, the Company uses OTC derivatives primarily to support client hedging and risk management activities, as well as in an end-user capacity to manage its own balance sheet risk exposures. As a financial entity, certain interest rate swaps and CDS transactions entered into by the Company or its subsidiaries are subject to mandatory clearing. At March 31, 2022, the Company had $140 million in notional amount of purchased non-cleared OTC credit derivatives related to management of its own balance sheet risk exposures. Additionally, the Company had $2.9 billion of purchased notional and $6.0 billion of sold notional OTC credit derivatives to support client hedging and risk management activities. Additional details of the Company's use of derivatives are included in "Note 16. Derivative Financial Instruments" in the Truist's March 31, 2022 Form 10-Q.

Counterparty credit risk management is integrated into the Company's credit risk management function. For transactions that generate meaningful counterparty credit risk, credit officers first perform a credit underwriting of the counterparty and assign an internal risk rating, before finally determining an aggregate credit exposure limit. Furthermore, if multiple underlying products and risk exposures are involved, then separate limits are assigned for each product with the counterparty. The counterparty exposure arising from OTC derivatives and securities lending transactions is aggregated with all other borrower exposures for risk management purposes.

In addition to counterparty selection and ongoing monitoring, documentation and collateral management are central to the Company's counterparty risk management efforts. Transactions are typically executed under master netting agreements. These documents provide a variety of legal protections, most notably the ability to close out all trades under that agreement on a net basis in the event of a counterparty default. The Company's legal department chairs a committee that reviews master netting agreements to confirm the enforceability of netting and collateral arrangements and generally obtains third party legal opinions regarding enforceability.

The regulatory requirement to centrally clear eligible derivative transactions with eligible CCPs has reduced the Company's counterparty credit exposure to dealers; however it has in turn increased its exposure to CCPs. The Company manages its exposure to CCPs using the same risk management practices as used for other counterparties and in accordance with supervisory guidance.

The values of OTC derivatives are based on the movement in one or more underlying variables (e.g., interest rates, credit spreads, foreign exchange rates, etc.). For internal risk management purposes, the Company establishes credit limits based on a measure of PFE, a statistical measure (at a high confidence interval) of the amount that a counterparty could owe the Company at some future point in time, taking into account collateral requirements and legally enforceable netting arrangements. The PFE, current credit exposure or mark-to-market, and collateral values, if applicable, are refreshed daily and used to calculate total counterparty credit exposure, which is compared against pre-established limits. The Company has an established limit exception management process in place which identifies, escalates, remediates, and documents any risk exposures that may exceed limits. As a bank subject to the standardized approach, RWA for OTC derivatives is determined using the methodology prescribed in the Rule for calculating PFE, and as such, the Company does not use its internal model generated PFE for that purpose.

The Company typically establishes zero threshold margin arrangements with dealers, governed under ISDA/CSA documents, such that when the fair value of a derivative changes, the out-of-the-money counterparty posts collateral to the in-the-money counterparty; collateral is generally exchanged on a daily basis. OTC derivative transactions with non-dealer clients are generally not subject to the same margin arrangements; however, they are still subject to master netting arrangements and the Company uses other available risk management techniques when necessary.

For OTC derivative transactions subject to a CSA, the Company typically only accepts high quality, liquid collateral instruments such as cash, U.S. Treasury, or agency-issued instruments, subject to applicable haircuts, as necessary. This collateral generally qualifies as financial collateral pursuant to the Rule. Cash represents the majority of the Company's collateral positions and is typically held in the Company's account or at another financial institution. Securities collateral is held at the Company's custodian bank in the Company's name and is generally controlled by the Company. In limited circumstances, collateral may be posted to an independent custodian bank for the benefit of the Company; in these circumstances, the Company does not have direct control over the collateral.

All OTC derivative transactions subject to margining requirements are monitored daily by an independent control function to ensure that collateral calls are issued and met in a timely manner. This function also ensures that any excess collateral posted by the Company to a counterparty is actively managed and withdrawn when no longer required. All collateral is valued daily. The collateral control function follows established procedures to resolve any disputes on the amount of collateral required, and escalation procedures are in place to ensure senior management is informed of any material disputes on a timely basis. In a limited number of situations, the Company's CSAs contain ratings based thresholds, such that the Company would need to post additional collateral to the degree that it suffered a credit downgrade.

Derivative instruments are priced using observable market inputs at a mid-market valuation point and take into consideration appropriate valuation adjustments for collateral, market liquidity, and counterparty credit risk. For purposes of determining fair value adjustments to its derivative positions, the Company takes into consideration the credit profile and likelihood of default by counterparties and itself, as well as, its net exposure, which considers legally enforceable master netting agreements and financial collateral along with remaining maturities. The expected loss of each counterparty, the CVA, is estimated using market-based views of counterparty default probabilities observed in the single-name CDS market, when available and of sufficient liquidity. When single-name CDS market data is not available or not of sufficient liquidity, the probability of default is estimated using a combination of the Company's internal risk rating system and sector/rating based CDS data.

For purposes of estimating the Company's own credit risk on derivative liability positions, the DVA, the Company uses probabilities of default from observable, sector/rating based CDS data. Information on the Company's fair value measurements can be found in the Company's March 31, 2022 Form 10-Q in "Note 15. Fair Value Disclosures."

Securities financing

The securities financing market encompasses both repurchase and reverse repurchase agreements, as well as securities lending/borrowing transactions. These transactions are structured such that borrowers post collateral in exchange for the ability to borrow cash or securities. Securities financing transactions enable cost-effective borrowing for clients and the Company and facilitate a variety of market making activities. Truist's securities financing transactions are subject to the same risk management procedures, and applicable RWA calculations consider eligible collateral and/or the counterparty to the underlying transaction.

Securities financing transactions are typically secured by high-quality, liquid collateral. The Company establishes limits on counterparties using the Basel Collateral Haircut methodology, measuring in this case the amount that the Company could lose if it were forced to close out the transaction ahead of scheduled maturity in a stressed situation. The Company may supplement its credit limits with notional limits based on the counterparty and/or the size of the financing arrangement.

Securities financing transactions provide for the regular movement of collateral so that the lender maintains an appropriate margin. The Company monitors its securities financing positions on a daily basis and calls for additional collateral as needed. The collateral received is typically held in an account with the Company's securities custodian.

Credit Risk Mitigation

The Rule allows eligible financial collateral, guarantees, and credit derivatives to be recognized in the calculation of RWA. The Company's use of credit risk mitigants in the calculation of RWA includes eligible collateral primarily in the form of U.S. Treasury or agency securities as well as cash. When financial collateral is obtained that qualifies as eligible collateral under the Rule, the eligible collateral can be substituted for the collateralized portion of the credit exposure in the RWA calculation. Similarly, when an eligible guarantee is received, the risk weight applicable to the eligible guarantor would apply to the exposure amount covered by the guarantee.

The following table summarizes OTC derivative contracts covered by eligible collateral:

Table 7-1
Total Exposure of OTC Derivative Contracts Covered by Eligible Collateral
March 31, 2022

(dollars in millions)	Gross Current Credit Exposure	Potential Future Exposure	Total Exposure
Interest rate	$ 926	$ 385	$ 1,311
Credit	8	3	11
Commodity	1,152	470	1,622
Risk participation agreements	58	49	107
Foreign exchange	206	190	396
Equities	564	545	1,109
Total derivative gross credit exposure	2,914	1,642	4,556
Amounts subject to master netting arrangements	(962)	—	(962)
Collateral held	(332)	—	(332)
Net exposure for derivatives covered by eligible collateral	$ 1,620	$ 1,642	$ 3,262

Truist has certain loans and other assets totaling approximately $9.6 billion with guarantees by the U.S. government. This includes $1.2 billion of PPP loans, which receive a zero percent risk weight.

Securitizations

Overview

The Basel III framework for securitizations addresses the capital treatment for exposures that involve the tranching of credit risk and categorizes securitizations as either traditional or synthetic.

The Rule describes securitization transactions as:

- All or a portion of the credit risk of one or more underlying exposures is transferred to one or more third parties other than through the use of credit derivatives or guarantees;
- The credit risk associated with the underlying exposures has been separated into at least two tranches reflecting different levels of seniority;
- Performance of the securitization exposures is solely dependent on the performance of the underlying exposures; and
- All or substantially all of the underlying exposures are financial exposures.

A synthetic securitization shares the same attributes as a traditional securitization, except that all or a portion of the credit risk of one or more underlying assets is retained or transferred to one or more third parties through the use of one or more credit derivatives or guarantees.

Any securitization where one or more of the underlying exposures are a securitization exposure is considered to be a resecuritization. The Company did not have resecuritization exposures at March 31, 2022.

Securitization process

The Company's current exposure to securitizations primarily includes loans to SPEs (not sponsored by the Company) that are designed to meet client needs for long-term financing of assets or working capital. These securitization arrangements assist the Company's clients in funding their financial assets. The Company also has securitization exposures in the form of non-agency mortgage-backed securities within its available for sale portfolio. Exposure amounts at March 31, 2022 are provided below in Tables 8-1 and 8-2.

The Company also originates and sells certain mortgages to Fannie Mae and Freddie Mac and issues and sells Ginnie Mae MBS. The Company transfers loans to securitization entities sponsored by these agencies. The loans are exchanged for cash or securities that are readily redeemable for cash, with servicing rights retained. The Company has made certain representations and warranties with respect to the transfer of these loans and has entered into a loss share guarantee related to certain loans transferred to Fannie Mae.

At March 31, 2022, the Company held $82 million of LHFS that it intends to securitize with Ginnie Mae. The Company periodically evaluates securitizations as a source of alternate financing; however, it does not expect securitization to comprise a significant amount of total funding.

Due diligence

The Company analyzes the credit profile of each securitization exposure prior to entering into that position, and documents such due diligence within the timeframe required under the Rule. The due diligence procedures are designed to provide the Company with a comprehensive understanding of the features that would materially affect the performance of its exposures.

The Company's due diligence procedures include analyzing and monitoring:

- Information regarding the performance of the underlying credit exposures and relevant market data;
- Structural and other enhancement features that may affect the credit quality of a securitization; and
- Credit profile of the seller/servicer of the assets securitized.

The level of detail included in the due diligence procedures is commensurate with the complexity of each securitization position held. In addition to pre-trade due diligence, the due diligence procedures are also performed on a periodic basis for each securitization position.

Risks

Securitization transactions involve a number of risks including credit risk and seller/servicer risk. Credit risk arises where the underlying assets fail to perform (e.g., payment rates, dilution, write-offs/losses), such that the credit enhancement is insufficient to protect the Company's investment. Seller/servicer risk represents the reliance on the seller and/or servicer of the assets to perform its duties under the securitization agreement and make certain representations and warranties as to the underlying collateral. The risks in the securitization loan portfolio are monitored monthly by comparing performance of assets to the structural requirements. The Company manages these risks (both pre and post commencement of a position) as part of its comprehensive risk management framework, which is described in the Company's March 31, 2022 Form 10-Q.

Risk-based capital approach

The Basel III standardized approach requires the application of the SSFA or, if not subject to the Market Risk Rule, the gross-up approach for calculating RWA for securitization exposures. The Company is subject to the Market Risk Rule and, therefore, applies the SSFA to its securitization exposures. A risk weight of 1,250% must be applied to a securitization exposure where the Company does not apply the SSFA.

The SSFA requires the following inputs to calculate regulatory capital:

- *Attachment Point:* the point at which collateral losses from underlying assets backing a securitization tranche will first be applied to the tranche in the form of principal write-downs;
- *Detachment Point:* the point at which the tranche will be completely written-down as a result of losses from the collateral backing the tranche;
- *Weighted Average Capital:* the weighted average capital charge for the assets in the securitization;
- *Seriously Delinquent:* the percentage of underlying collateral that is seriously delinquent (e.g., 90+ days past due, in foreclosure, in bankruptcy); and
- *Calibration Parameter:* a parameter that increases the riskiness of a tranche for re-securitizations.

The risk-based capital requirement under the SSFA is the exposure amount (including any accrued interest receivable on the exposure) multiplied by the higher of either the calculated risk weight, determined by the inputs listed above, or a 20% risk weight.

Risk-weighted assets for securitization exposures

The following table presents securitization exposures and their applicable risk weighting as of March 31, 2022. There were no amounts of exposures past due and impaired as of March 31, 2022, and no losses were incurred on the exposures during the quarter ended March 31, 2022.

Table 8-1
Total Securitizations by Risk Weight Category
March 31, 2022

(dollars in millions)	Exposure Amount	RWA	RWA %	RWA Method
Exposure type:				
LHFI	$ 4,389	$ 967	22 %	SSFA
Unfunded commitment related to LHFI	3,560	901	25	SSFA
Securities AFS:				
Securitization (1)	4,169	834	20	SSFA
Other off-balance sheet amount (2)	25	313	1250 %	1250 %
Other	8	2	25 %	SSFA
Total securitization	$ 12,151	$ 3,017		

(1) Includes accrued interest.
(2) For off-balance sheet exposures that use the 1,250% risk-weight, the exposure amount equals the maximum exposure to loss.

The following table presents securitization exposures and underlying collateral type as of March 31, 2022.

Table 8-2
Securitizations by Collateral Type
March 31, 2022

	Securitization Amount			
(dollars in millions)	**On Balance Sheet**	**Off Balance Sheet**	**Total**	**RWA**
Collateral type:				
Trade receivables	$ 775	$ 920	$ 1,695	$ 339
Commercial and Industrial	880	536	1,416	283
Consumer Loans	1,465	798	2,263	497
Residential Mortgages	4,149	—	4,149	830
Other	1,297	1,331	2,628	1,068
Total	$ 8,566	$ 3,585	$ 12,151	$ 3,017

Equity Securities Not Subject to Market Risk Rule

The Company holds equity securities for various purposes. The Company's investments in private equity funds are generally held to realize a potential profit; equity securities in pension plans are held to reduce future pension expense; investments in affordable housing are made to generate tax credits and investments in certain trade organizations are required to realize the benefits of being a member.

The Company has total equity exposures of approximately $15.7 billion, with $4.2 billion in individual equities and $11.5 billion in equity funds at March 31, 2022. The majority of the individual investments are related to the Company's CRA activities, including tax-advantaged investments. The Company uses the simple risk-weight approach for its individual equity securities. The equity funds consist of BOLI, private equity, pension fund assets, money market, and other equity funds. The Company uses the full look-through approach for BOLI assets in separate accounts. Investment guidelines specify objectives and constraints for separate account BOLI investment funds, including permitted and non-permitted investments, concentration and diversification requirements, credit quality requirements, and duration parameters. There were no unrealized gains not recognized through earnings included in Tier 2 capital for the quarter ended March 31, 2022.

Non-marketable equity securities are generally recorded either at historical cost or using the equity method. Refer to "Note 1. Basis of Presentation" in Truist's Annual Report on Form 10-K for the year ended December 31, 2021 for accounting policies related to equity investments and the valuation of financial instruments.

At March 31, 2022, the Company held approximately $781 million of exposures in equity funds that relate to the Company's nonqualified defined contribution plan. There is an offsetting liability for these investments, and as a result, there is no impact to earnings or equity from these investments as changes in the fair value of the investments are recorded in income with an offsetting change in personnel expense.

Equity securities carried at cost and the related unrealized gains and losses were immaterial at March 31, 2022.

The following table summarizes the Company's equity securities not subject to the Market Risk Rule:

Table 9-1
Equity Securities Not Subject to Market Risk Rule
March 31, 2022

(dollars in millions)	**Exposure**	**RWA**	**Capital Impact of RWA (1)**
20% risk weight	$ 47	$ 9	$ 1
100% risk weight	4,041	4,041	323
Full look-through approach	11,661	10,365	829
Total	$ 15,749	$ 14,415	$ 1,153
Public	$ 7,078		
Nonpublic	8,671		
Total	$ 15,749		

(1) Calculated by multiplying RWA by the minimum total risk-based capital ratio of 8%.

Cross Reference Table

Note: References in the following table to Form 10-Q or Form FR Y-9C are to the respective form for the period ended March 31, 2022. References to Form 10-K are for the year ended December 31, 2021.

Disclosure Requirement	Disclosure Location
Table 1 - Scope of Application	
Qualitative:	
(a) The name of the top corporate entity in the group to which subpart D of this part applies.	***Pillar 3 Regulatory Capital Disclosures:*** Introduction
(b) A brief description of the differences in the basis for consolidating entities for accounting and regulatory purposes, with a description of those entities: (1) That are fully consolidated; (2) That are deconsolidated and deducted from total capital; (3) For which the total capital requirement is deducted; and (4) That are neither consolidated nor deducted (for example, where the investment in the entity is assigned a risk weight in accordance with this subpart).	***Pillar 3 Regulatory Capital Disclosures:*** Basis of Consolidation The Company does not have a difference in the basis of consolidation for accounting and regulatory purposes.
(c) Any restrictions, or other major impediments, on transfer of funds or total capital within the group.	***Form 10-K:*** Note 17. Regulatory Requirements and Other Restrictions Note 22. Parent Company Financial Information Item 7 - MD&A - Liquidity Item 7 - MD&A - Capital ***Form 10-Q:*** Item 2 - MD&A - Capital ***Pillar 3 Regulatory Capital Disclosures:*** Capital Planning and Stress Testing Requirements
Quantitative:	
(d) The aggregate amount of surplus capital of insurance subsidiaries included in the total capital of the consolidated group.	***Pillar 3 Regulatory Capital Disclosures:*** Capital in Subsidiaries
(e) The aggregate amount by which actual total capital is less than the minimum total capital requirement in all subsidiaries, with total capital requirements and the name(s) of the subsidiaries with such deficiencies.	Not applicable. Actual total capital is greater than the minimum total capital requirement.
Table 2 - Capital Structure	
Qualitative:	
(a) Summary information on the terms and conditions of the main features of all regulatory capital instruments.	***Form 10-K:*** Note 11. Borrowings Note 12. Shareholders' Equity ***Form 10-Q:*** Note 9. Borrowings Note 10. Shareholders' Equity Item 2 - MD&A - Capital Item 2 - MD&A - Funding Activities ***Pillar 3 Regulatory Capital Disclosures:*** Capital Structure
Quantitative:	
(b) The amount of common equity tier 1 capital, with separate disclosure of: (1) Common stock and related surplus; (2) Retained earnings; (3) Common equity minority interest; (4) AOCI; and (5) Regulatory adjustments and deductions made to common equity tier 1 capital.	***Form FR Y-9C:*** Schedule HC-R ***Form 10-Q:*** Consolidated Balance Sheet
(c) The amount of tier 1 capital, with separate disclosure of: (1) Additional tier 1 capital elements, including additional tier 1 capital instruments and tier 1 minority interest not included in common equity tier 1 capital; and (2) Regulatory adjustments and deductions made to tier 1 capital.	***Form FR Y-9C:*** Schedule HC-R

Disclosure Requirement	Disclosure Location
(d) The amount of total capital, with separate disclosure of: (1) Tier 2 capital elements, including tier 2 capital instruments and total capital minority interest not included in tier 1 capital; and (2) Regulatory adjustments and deductions made to total capital.	***Form FR Y-9C:*** Schedule HC-R
Table 3 - Capital Adequacy	
Qualitative:	
(a) A summary discussion of the FDIC-supervised institution's approach to assessing the adequacy of its capital to support current and future activities.	***Form 10-K:*** Item 7 - MD&A - Capital ***Form 10-Q:*** Item 2 - MD&A - Capital
Quantitative:	
(b) Risk-weighted assets for: (1) Exposures to sovereign entities; (2) Exposures to certain supranational entities and MDBs; (3) Exposures to depository institutions, foreign banks, and credit unions; (4) Exposures to PSEs; (5) Corporate exposures; (6) Residential mortgage exposures; (7) Statutory multifamily mortgages and pre-sold construction loans; (8) HVCRE loans; (9) Past due loans; (10) Other assets; (11) Cleared transactions; (12) Default fund contributions; (13) Unsettled transactions; (14) Securitization exposures; and (15) Equity exposures.	***Pillar 3 Regulatory Capital Disclosures:*** Table 3-1
(c) Standardized market risk-weighted assets as calculated under subpart F of this part.	***Pillar 3 Regulatory Capital Disclosures:*** Table 3-1
(d) Common equity tier 1, tier 1 and total risk-based capital ratios: (1) For the top consolidated group; and (2) For each depository institution subsidiary.	***Pillar 3 Regulatory Capital Disclosures:*** Table 3-3
(e) Total standardized risk-weighted assets.	***Pillar 3 Regulatory Capital Disclosures:*** Table 3-1
Table 4 - Capital Conservation Buffer	
Qualitative:	
(a) At least quarterly, the FDIC-supervised institution must calculate and publicly disclose the capital conservation buffer as described under § 324.11.	***Form FR Y-9C:*** Schedule HC-R
(b) At least quarterly, the FDIC-supervised institution must calculate and publicly disclose the eligible retained income of the FDIC-supervised institution, as described under § 324.11.	***Form FR Y-9C:*** Schedule HC-R
(c) At least quarterly, the FDIC-supervised institution must calculate and publicly disclose any limitations it has on distributions and discretionary bonus payments resulting from the capital conservation buffer framework described under § 324.11, including the maximum payout amount for the quarter.	***Form FR Y-9C:*** Schedule HC-R
General Qualitative Disclosure	
For each separate risk area described in Tables 5 through 10, the FDIC-supervised institution must describe its risk management objectives and policies, including: strategies and processes; the structure and organization of the relevant risk management function; the scope and nature of risk reporting and/or measurement systems; policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants.	See the references to the qualitative disclosures below for each respective Pillar 3 table for the location of these disclosures for each risk area. See additional information on Corporate Governance at ir.truist.com/corporate-governance.

Disclosure Requirement	Disclosure Location
Table 5 - Credit Risk: General Disclosures	
Qualitative:	
(a) The general qualitative disclosure requirement with respect to credit risk (excluding counterparty credit risk disclosed in accordance with Table 6 to § 324.63), including: (1) Policy for determining past due or delinquency status; (2) Policy for placing loans on nonaccrual; (3) Policy for returning loans to accrual status; (4) Definition of and policy for identifying impaired loans (for financial accounting purposes); (5) Description of the methodology that the entity uses to estimate its allowance for loan and lease losses, including statistical methods used where applicable; (6) Policy for charging-off uncollectible amounts; and (7) Discussion of the FDIC-supervised institution's credit risk management policy.	***Form 10-K:*** Note 1. Basis of Presentation Originated loans and leases NPAs ACL Item 7 - MD&A Lending activities Risk Management ***Pillar 3 Regulatory Capital Disclosures:*** Credit Risk
Quantitative:	
(b) Total credit risk exposures and average credit risk exposures, after accounting offsets in accordance with GAAP, without taking into account the effects of credit risk mitigation techniques (for example, collateral and netting not permitted under GAAP), over the period categorized by major types of credit exposure. For example, FDIC-supervised institutions could use categories similar to that used for financial statement purposes. Such categories might include, for instance: (1) Loans, off-balance sheet commitments, and other non-derivative off-balance sheet exposures; (2) Debt securities; and (3) OTC derivatives.	***Form 10-Q:*** Consolidated Balance Sheet Note 4. Investment Securities Note 5. Loans and ACL Note 14. Commitments and Contingencies Note 15. Fair Value Disclosures Note 16. Derivative Financial Instruments Item 2 - MD&A - Table 1 Item 2 - MD&A - Table 6 ***Pillar 3 Regulatory Capital Disclosures:*** Table 5-1 Table 5-2
(c) Geographic distribution of exposures, categorized in significant areas by major types of credit exposure.	***Pillar 3 Regulatory Capital Disclosures:*** Geographic Disclosures Table 5-3 Table 5-4 Table 5-5 US Treasury, Agency, and Municipal Securities Counterparty Credit Risk Related Disclosures
(d) Industry or counterparty type distribution of exposures, categorized by major types of credit exposure.	***Pillar 3 Regulatory Capital Disclosures:*** Industry Disclosures Table 5-6 Counterparty Credit Risk Related Disclosures
(e) By major industry or counterparty type: (1) Amount of impaired loans for which there was a related allowance under GAAP; (2) Amount of impaired loans for which there was no related allowance under GAAP; (3) Amount of loans past due 90 days and on nonaccrual; (4) Amount of loans past due 90 days and still accruing; (5) The balance in the allowance for loan and lease losses at the end of each period, disaggregated on the basis of the entity's impairment method. To disaggregate the information required on the basis of impairment methodology, an entity shall separately disclose the amounts based on the requirements in GAAP; and (6) Charge-offs during the period.	***Form 10-Q:*** Note 5. Loans and ACL ***Pillar 3 Regulatory Capital Disclosures:*** Industry Disclosures Table 5-6
(f) Amount of impaired loans and, if available, the amount of past due loans categorized by significant geographic areas including, if practical, the amounts of allowances related to each geographical area, further categorized as required by GAAP.	***Pillar 3 Regulatory Capital Disclosures:*** Geographic Disclosures Table 5-3 Table 5-4 Table 5-5

Disclosure Requirement	Disclosure Location
(g) Reconciliation of changes in ALLL.	***Form 10-Q;*** Note 5. Loans and ACL
(h) Remaining contractual maturity breakdown (for example, one year or less) of the whole portfolio, categorized by credit exposure.	***Pillar 3 Regulatory Capital Disclosures:*** Table 5-1 Table 5-2
Table 6 - Credit Risk: General Disclosure for Counterparty Credit Risk-Related Exposures	
Qualitative:	
(a) The general qualitative disclosure requirement with respect to OTC derivatives, eligible margin loans, and repo-style transactions, including a discussion of: (1) The methodology used to assign credit limits for counterparty credit exposures; (2) Policies for securing collateral, valuing and managing collateral, and establishing credit reserves; (3) The primary types of collateral taken; and (4) The impact of the amount of collateral the FDIC-supervised institution would have to provide given a deterioration in the FDIC-supervised institution's own creditworthiness.	***Form 10-K:*** Note 1. Basis of Presentation Note 19. Derivative Financial Instruments Item 7 - MD&A - Risk Management ***Form 10-Q:*** Note 3. Securities Financing Activities Note 16. Derivative Financial Instruments **Pillar 3 Regulatory Capital Disclosures:** Counterparty Credit Risk-Related Exposures
Quantitative:	
(b) Gross positive fair value of contracts, collateral held (including type, for example, cash, government securities), and net unsecured credit exposure. An FDIC-supervised institution also must disclose the notional value of credit derivative hedges purchased for counterparty credit risk protection and the distribution of current credit exposure by exposure type.	***Form 10-Q:*** Note 16. Derivative Financial Instruments
(c) Notional amount of purchased and sold credit derivatives, segregated between use for the FDIC-supervised institution's own credit portfolio and in its intermediation activities, including the distribution of the credit derivative products used, categorized further by protection bought and sold within each product group.	***Pillar 3 Regulatory Capital Disclosures:*** Credit Risk
Table 7 - Credit Risk Mitigation	
Qualitative:	
(a) The general qualitative disclosure requirement with respect to credit risk mitigation, including: (1) Policies and processes for collateral valuation and management; (2) A description of the main types of collateral taken by the FDIC-supervised institution; (3) The main types of guarantors/credit derivative counterparties and their creditworthiness; and (4) Information about (market or credit) risk concentrations with respect to credit risk mitigation.	***Form 10-Q:*** Note 16. Derivative Financial Instruments ***Form 10-K:*** Note 1. Basis of Presentation Originated loans and leases TDRs NPAs ACL Note 16. Commitments and Contingencies Note 18. Fair Value Disclosures Item 7 - MD&A Risk Management Risk Management - Credit risk Risk Management - Market risk Lending Activities Critical Accounting Policies - Derivative Assets and Liabilities Item 1A - Risk Factors - Credit Risk Item 1A - Risk Factors - Market Risk
(b) For each separately disclosed credit risk portfolio, the total exposure that is covered by eligible financial collateral, and after the application of haircuts.	***Pillar 3 Regulatory Capital Disclosures:*** Table 7-1
(c) For each separately disclosed portfolio, the total exposure that is covered by guarantees/credit derivatives and the risk-weighted asset amount associated with that exposure.	***Pillar 3 Regulatory Capital Disclosures:*** Credit Risk Mitigation

Disclosure Requirement	Disclosure Location
Table 8 - Securitization	
Qualitative:	
(a) The general qualitative disclosure requirement with respect to a securitization (including synthetic securitizations), including a discussion of: (1) The FDIC-supervised institution's objectives for securitizing assets, including the extent to which these activities transfer credit risk of the underlying exposures away from the FDIC-supervised institution to other entities and including the type of risks assumed and retained with resecuritization activity; (2) The nature of the risks (e.g. liquidity risk) inherent in the securitized assets; (3) The roles played by the FDIC-supervised institution in the securitization process and an indication of the extent of the FDIC-supervised institution's involvement in each of them; (4) The processes in place to monitor changes in the credit and market risk of securitization exposures including how those processes differ for resecuritization exposures; (5) The FDIC-supervised institution's policy for mitigating the credit risk retained through securitization and resecuritization exposures; and (6) The risk-based capital approaches that the FDIC-supervised institution follows for its securitization exposures including the type of securitization exposure to which each approach applies.	***Pillar 3 Regulatory Capital Disclosures:*** Securitizations ***Form 10-K:*** Note 1. Basis of Presentation Item 7 - MD&A - Risk Management
(b) A list of: (1) The type of securitization SPEs that the FDIC-supervised institution, as sponsor, uses to securitize third-party exposures. The FDIC-supervised institution must indicate whether it has exposure to these SPEs, either on- or off-balance sheet; and (2) Affiliated entities: (i) That the FDIC-supervised institution manages or advises; and (ii) That invest either in the securitization exposures that the FDIC-supervised institution has securitized or in securitization SPEs that the FDIC-supervised institution sponsors.	***Form 10-K:*** Note 1. Basis of Presentation. Note 18. Fair Value Disclosures ***Form 10-Q:*** Note 7. Loan Servicing
(c) Summary of the FDIC-supervised institution's accounting policies for securitization activities, including: (1) Whether the transactions are treated as sales or financings; (2) Recognition of gain-on-sale; (3) Methods and key assumptions applied in valuing retained or purchased interests; (4) Changes in methods and key assumptions from the previous period for valuing retained interests and impact of the changes; (5) Treatment of synthetic securitizations; (6) How exposures intended to be securitized are valued and whether they are recorded under subpart D of this part; and (7) Policies for recognizing liabilities on the balance sheet for arrangements that could require the FDIC-supervised institution to provide financial support for securitized assets.	***Form 10-K:*** Note 1. Basis of Presentation. Note 18. Fair Value Disclosures ***Form 10-Q:*** Note 7. Loan Servicing
(d) An explanation of significant changes to any quantitative information since the last reporting period.	***Pillar 3 Regulatory Capital Disclosures:*** Securitizations
Quantitative:	
(e) The total outstanding exposures securitized by the FDIC-supervised institution in securitizations that meet the operational criteria provided in § 324.41 (categorized into traditional and synthetic securitizations), by exposure type, separately for securitizations of third-party exposures for which the FDIC-supervised institution acts only as sponsor.	***Pillar 3 Regulatory Capital Disclosures:*** Securitizations
(f) For exposures securitized by the FDIC-supervised institution in securitizations that meet the operational criteria in § 324.41: (1) Amount of securitized assets that are impaired/past due categorized by exposure type; and (2) Losses recognized by the FDIC-supervised institution during the current period categorized by exposure type.	***Pillar 3 Regulatory Capital Disclosures:*** Securitizations

Disclosure Requirement	Disclosure Location
(g) The total amount of outstanding exposures intended to be securitized categorized by exposure type.	***Pillar 3 Regulatory Capital Disclosures:*** Securitizations
(h) Aggregate amount of: (1) On-balance sheet securitization exposures retained or purchased categorized by exposure type; and (2) Off-balance sheet securitization exposures categorized by exposure type.	***Pillar 3 Regulatory Capital Disclosures:*** Table 8-1
(i) (1) Aggregate amount of securitization exposures retained or purchased and the associated capital requirements for these exposures, categorized between securitization and resecuritization exposures, further categorized into a meaningful number of risk weight bands and by risk-based capital approach (e.g., SSFA); and (2) Exposures that have been deducted entirely from tier 1 capital, CEIOs deducted from total capital (as described in § 324.42(a)(1)), and other exposures deducted from total capital should be disclosed separately by exposure type.	***Pillar 3 Regulatory Capital Disclosures:*** Table 8-2 Truist does not have any securitization exposures that have been deducted from capital.
(j) Summary of current year's securitization activity, including the amount of exposures securitized (by exposure type), and recognized gain or loss on sale by exposure type.	***Form 10-K:*** Note 1. Basis of Presentation Note 18. Fair Value Disclosures Item 7 - MD&A - Risk Management ***Form 10-Q:*** Note 7. Loan Servicing
(k) Aggregate amount of resecuritization exposures retained or purchased categorized according to: (1) Exposures to which credit risk mitigation is applied and those not applied; and (2) Exposures to guarantors categorized according to guarantor creditworthiness categories or guarantor name.	***Form 10-K:*** Note 1. Basis of Presentation. Note 18. Fair Value Disclosures Item 7 - MD&A - Risk Management ***Form 10-Q:*** Note 7. Loan Servicing
Table 9 - Equities Not Subject to Subpart F of This Part	
Qualitative:	
(a) The general qualitative disclosure requirement with respect to equity risk for equities not subject to subpart F of this part, including: (1) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and (2) Discussion of important policies covering the valuation of and accounting for equity holdings not subject to subpart F of this part. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	***Pillar 3 Regulatory Capital Disclosures:*** Equity Securities Not Subject to Market Risk Rule ***Form 10-K:*** Note 1. Basis of Presentation Note 18. Fair Value Disclosures Item 7 - MD&A - Risk Management
Quantitative:	
(b) Value disclosed on the balance sheet of investments, as well as the fair value of those investments; for securities that are publicly traded, a comparison to publicly-quoted share values where the share price is materially different from fair value.	***Pillar 3 Regulatory Capital Disclosures:*** Table 9-1 The values on the balance sheet are not materially different than the fair values of the investments. Publicly-quoted share values are not materially different from their fair values.
(c) The types and nature of investments, including the amount that is: (1) Publicly traded; and (2) Non publicly traded.	***Pillar 3 Regulatory Capital Disclosures:*** Table 9-1
(d) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	***Form 10-Q:*** Note 15. Fair Value Disclosures
(e) (1) Total unrealized gains (losses). (2) Total latent revaluation gains (losses). (3) Any amounts of the above included in tier 1 or tier 2 capital.	***Pillar 3 Regulatory Capital Disclosures:*** Equity Securities Not Subject to Market Risk Rule

Disclosure Requirement	Disclosure Location
(f) Capital requirements categorized by appropriate equity groupings, consistent with the FDIC-supervised institution's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition regarding regulatory capital requirements.	***Pillar 3 Regulatory Capital Disclosures:*** Table 9-1
Table 10 - Interest Rate Risk For Non-Trading Activities	
Qualitative:	
(a) The general qualitative disclosure requirement, including the nature of interest rate risk for non-trading activities and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of measurement of interest rate risk for non-trading activities.	***Form 10-K:*** Item 7 - MD&A - Interest Rate Market Risk (Other than Trading) Item 7 - MD&A - Risk Management ***Form 10-Q:*** Item 2 - MD&A - Interest Rate Market Risk (Other than Trading)
Quantitative:	
(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, categorized by currency (as appropriate).	***Form 10-Q:*** Item 2 - MD&A - Table 17

Forward-Looking Statements

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. While there can be no assurance that any list of risks and uncertainties or risk factors is complete, important factors that could cause actual results to differ materially from those contemplated by forward-looking statements include the following, without limitation, as well as the risks and uncertainties more fully discussed in Part I, Item 1A-Risk Factors in Truist’s Form 10-K for the year ended December 31, 2021 in Truist’s Annual Report on Form 10-K for the year ended December 31, 2021:

- residual risks and uncertainties relating to the Merger of heritage BB&T and heritage SunTrust, including the ability to realize the anticipated benefits of the Merger;
- expenses relating to the Merger and application and data center decommissioning;
- deposit attrition, client loss or revenue loss following completed mergers or acquisitions may be greater than anticipated;
- the COVID-19 pandemic disrupted the global economy and adversely impacted Truist’s financial condition and results of operations, including through increased expenses, reduced fee income and net interest margin, decreased demand for certain types of loans, and increases in the allowance for credit losses; a resurgence of the pandemic, whether due to new variants of the coronavirus or other factors, could reintroduce or prolong these negative impacts and also adversely affect Truist’s capital and liquidity position or cost of capital, impair the ability of borrowers to repay outstanding loans, cause an outflow of deposits, and impair goodwill or other assets;
- Truist is subject to credit risk by lending or committing to lend money, and may have more credit risk and higher credit losses to the extent that loans are concentrated by loan type, industry segment, borrower type or location of the borrower or collateral;
- changes in the interest rate environment, including the replacement of LIBOR as an interest rate benchmark, which could adversely affect Truist’s revenue and expenses, the value of assets and obligations, and the availability and cost of capital, cash flows, and liquidity;
- inability to access short-term funding or liquidity, loss of client deposits or changes in Truist’s credit ratings, which could increase the cost of funding or limit access to capital markets;
- risk management oversight functions may not identify or address risks adequately, and management may not be able to effectively manage credit risk;
- risks resulting from the extensive use of models in Truist’s business, which may impact decisions made by management and regulators;
- failure to execute on strategic or operational plans, including the ability to successfully complete or integrate mergers and acquisitions;
- increased competition, including from (i) new or existing competitors that could have greater financial resources or be subject to different regulatory standards, and (ii) products and services offered by non-bank financial technology companies, may reduce Truist’s client base, cause Truist to lower prices for its products and services in order to maintain market share or otherwise adversely impact Truist’s businesses or results of operations;
- failure to maintain or enhance Truist’s competitive position with respect to new products, services and technology, whether it fails to anticipate client expectations or because its technological developments fail to perform as desired or do not achieve market acceptance or regulatory approval or for other reasons, may cause Truist to lose market share or incur additional expense;
- negative public opinion, which could damage Truist’s reputation;
- increased scrutiny regarding Truist’s consumer sales practices, training practices, incentive compensation design, and governance;
- regulatory matters, litigation or other legal actions, which may result in, among other things, costs, fines, penalties, restrictions on Truist’s business activities, reputational harm, negative publicity, or other adverse consequences;
- evolving legislative, accounting and regulatory standards, including with respect to climate, capital, and liquidity requirements, and results of regulatory examinations may adversely affect Truist’s financial condition and results of operations;
- the monetary and fiscal policies of the federal government and its agencies, including in response to rising inflation, could have a material adverse effect on profitability;
- accounting policies and processes require management to make estimates about matters that are uncertain, including the potential write down to goodwill if there is an elongated period of decline in market value for Truist’s stock and adverse economic conditions are sustained over a period of time;
- general economic or business conditions, either globally, nationally or regionally, may be less favorable than expected, and instability in global geopolitical matters or volatility in financial markets could result in, among other things, slower deposit or asset growth, a deterioration in credit quality, or a reduced demand for credit, insurance, or other services;
- risks related to originating and selling mortgages, including repurchase and indemnity demands from purchasers related to representations and warranties on loans sold, which could result in an increase in the amount of losses for loan repurchases;
- risks relating to Truist’s role as a loan servicer, including an increase in the scope or costs of the services Truist is required to perform, without any corresponding increase in servicing fees or a breach of Truist’s obligations as servicer;
- Truist’s success depends on hiring and retaining key teammates, and if these individuals leave or change roles without effective replacements, Truist’s operations and integration activities could be adversely impacted, which could be exacerbated in the increased work-from-home environment caused by the COVID-19 pandemic as job markets may be less constrained by physical geography;
- fraud or misconduct by internal or external parties, which Truist may not be able to prevent, detect, or mitigate;
- security risks, including denial of service attacks, hacking, social engineering attacks targeting Truist’s teammates and clients, malware intrusion, data corruption attempts, system breaches, cyber-attacks, which have increased in frequency with current geopolitical tensions, identity theft, ransomware attacks, and physical security risks, such as natural disasters, environmental conditions, and intentional acts of destruction, could result in the disclosure of confidential information, adversely affect Truist’s business or reputation or create significant legal or financial exposure; and
- widespread outages of operational, communication, or other systems, whether internal or provided by third parties, natural or other disasters (including acts of terrorism and pandemics), and the effects of climate change, including physical risks, such as more frequent and intense weather events, and risks related to the transition to a lower carbon economy, such as regulatory or technological changes or shifts in market dynamics or consumer preferences, could have an adverse effect on Truist’s financial condition and results of operations, lead to material disruption of Truist’s operations or the ability or willingness of clients to access Truist’s products and services.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Except to the extent required by applicable law or regulation, Truist undertakes no obligation to revise or update any forward-looking statements.