

**TRUIST**



**Net Stable Funding Ratio Disclosure**

Truist Financial Corporation

June 30, 2023

(Includes Q1 and Q2 results)

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## Net Stable Funding Ratio

Truist Financial Corporation

June 30, 2023

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### I. Introduction

Truist Financial Corporation (Truist or Company) is a financial holding company (FHC) and conducts its business operations through its bank subsidiary, Truist Bank, and other non-bank subsidiaries. Truist is a purpose-driven financial services company committed to inspiring and building better lives and communities. Truist has leading market share in many high-growth markets in the country, and offers a wide range of products and services through our retail and small business banking, commercial banking, corporate and investment banking, insurance, wealth management, and specialized lending businesses. Headquartered in Charlotte, North Carolina, Truist is a top 10 U.S. commercial bank.

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

In October 2019, the federal banking agencies adopted final rules for Applicability Thresholds for Regulatory Capital and Liquidity Requirements (Tailoring Rule). Under the Tailoring Rule, Truist is a Category III U.S. banking organization with assets between \$250 billion and \$700 billion, and less than \$75 billion in certain other risk-related exposures. As a Category III institution, Truist and Truist Bank are subject to a Reduced daily Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

### II. Net Stable Funding Ratio (NSFR)

The U.S. Net Stable Funding Ratio: Liquidity Risk Measurement Standards and Disclosure Requirements (the "NSFR rule") implements a stable funding requirement, known as the net stable funding ratio (NSFR), for certain large banking organizations. The NSFR is a quantitative metric that measures the stability of Truist's funding profile and requires that Truist and Truist Bank maintain minimum amounts of stable liabilities and regulatory capital to support its assets, commitments, and derivative exposures over a one-year time horizon.

The NSFR is expressed as the ratio of available stable funding (ASF) relative to projected minimum funding needs or required stable funding (RSF). Covered companies are required to maintain a minimum NSFR of 1.0, summarized as follows:

$$\frac{\text{Total Available Stable Funding (ASF)}}{\text{Total Required Stable Funding (RSF)}} \geq 100\%$$

The NSFR rule considers the differing risk characteristics of a covered company's various assets, liabilities, and certain off-balance sheet commitments and applies different weightings (ASF and RSF factors) to reflect these risk characteristics. ASF and RSF factors are used to determine the numerator and denominator of the NSFR and reflect, respectively, the stability of funding, and the need for assets and commitments to be supported by such funding.

The NSFR serves as a complement to the Liquidity Coverage Ratio (LCR), which promotes shorter-term resilience that requires sufficient liquidity to withstand a 30 calendar-day period of significant stress. Please see Truist's Liquidity Coverage Ratio (LCR) Disclosures found on its website at <https://ir.truist.com/other-filings>.

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Truist prepares its NSFR disclosure based on its consolidated balance sheet. The NSFR rules for consolidation require Truist to exclude from consolidated ASF any ASF held at the subsidiary level that exceeds the subsidiary's RSF. The rules allow Truist to include any such excess ASF to the degree that the subsidiary can transfer assets to Truist Financial Corporation, considering statutory, regulatory, contractual, or supervisory restrictions. When determining Truist Bank's excess ASF amount under NSFR Rules of consolidation, Truist excludes amounts resulting from transactions between Truist and Truist Bank that are netted under GAAP when preparing the consolidated balance sheet. This results in the exclusion of Truist Bank capital from the calculation of excess ASF when calculating Truist's consolidated NSFR. As such the Total ASF does not equal the sum of its quantitative disclosure components (see section III).

The following table summarizes Truist's average NSFR for the three months ended March 31, 2023 and three months ended June 30, 2023, respectively.

Three months ended March 31, 2023 (dollars in millions)		Average weighted amount <sup>(1)</sup>
<b>Truist Financial Corporation:</b>		
Total ASF <sup>(2)</sup>	\$	368,644
Total adjusted RSF		290,780
<b>NSFR</b>		<b>127 %</b>

<sup>(1)</sup> Represent the average weighted amount after applying NSFR rule prescribed ASF and RSF rates, respectively.

<sup>(2)</sup> Excludes average excess ASF at Truist Bank that cannot be transferred.

Three months ended June 30, 2023 (dollars in millions)		Average weighted amount <sup>(1)</sup>
<b>Truist Financial Corporation:</b>		
Total ASF <sup>(2)</sup>	\$	369,665
Total adjusted RSF		292,323
<b>NSFR</b>		<b>126 %</b>

<sup>(1)</sup> Represent the average weighted amount after applying NSFR rule prescribed ASF and RSF rates, respectively.

<sup>(2)</sup> Excludes average excess ASF at Truist Bank that cannot be transferred.

Truist's average NSFR is driven by the stability of funding sources coupled with the liquidity characteristics and residual maturities of assets and the contingent liquidity risk from off-balance sheet exposures. For the quarterly period ended March 31, 2023 and the quarterly period ended June 30, 2023, Truist's average reduced NSFR was 127% and 126%, respectively and in compliance with the regulatory minimum for such entities of 100%. Truist's average weighted Total ASF increased approximately \$1 billion quarter over quarter driven by increases in capital and term wholesale funding partially offset by an increase in excess ASF. On the asset side, average weighted total adjusted RSF increased approximately \$1.5 billion quarter over quarter driven by an increase in longer dated assets coupled with an increase in initial margin provided for derivative transactions.

### III. U.S. NSFR Quantitative Disclosure

The following disclosures present expanded detail on Truist's average NSFR, and average unweighted and weighted amount of ASF items, and RSF items for the three months ended March 31, 2023 and three months ended June 30, 2023, respectively.

## Net Stable Funding Ratio

Truist Financial Corporation

June 30, 2023

Three months ended March 31, 2023 (dollars in millions)		Average Unweighted Amount					Average Weighted Amount	
		Open Maturity	< 6 Months	6 months to < 1 year	≥ 1 year	Perpetual		
<b>ASF Item</b>								
1	<i>Capital and Securities:</i>	\$ —	\$ 10,266	\$ 2,640	\$ 27,937	\$ 66,112	\$ 95,369	
2	NSFR regulatory capital elements	—	—	—	5,211	66,112	71,323	
3	Other capital elements and securities	—	10,266	2,640	22,726	—	24,046	
4	<i>Retail Funding:</i>	\$ 243,373	\$ 18,285	\$ 2,628	\$ 76	\$ —	\$ 237,236	
5	Stable Deposits	151,450	8,606	—	—	—	152,054	
6	Less Stable Deposits	78,210	6,935	—	—	—	76,631	
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	13,713	2,678	2,628	76	—	8,518	
8	Other retail funding	—	66	—	—	—	33	
9	<i>Wholesale Funding:</i>	\$ 135,142	\$ 17,371	\$ 6,795	\$ 17,565	\$ —	\$ 93,753	
10	Operational Deposits	48,419	172	—	—	—	24,296	
11	Other wholesale funding	86,723	17,199	6,795	17,565	—	69,457	
<i>Other liabilities:</i>								
12	NSFR derivatives liability amount	3,681						
13	Total derivatives liability amount	4,376						
14	All other liabilities not included in the above categories	3,761	1,392	1	1,907	—	—	
15	<b>Total ASF<sup>(1)</sup></b>						<b>\$ 368,644</b>	
<b>RSF Item</b>								
16	<i>Total high-quality liquid assets (HQLA)</i>	\$ 58,076	\$ 1,427	\$ 1,138	\$ 86,526	\$ —	\$ 11,611	
17	Level 1 Liquid Assets	25,851	541	1,135	42,236	—	—	
18	Level 2A Liquid Assets	32,225	886	3	44,290	—	11,611	
19	Level 2B Liquid Assets	—	—	—	—	—	—	
20	<i>Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries</i>	\$ 905	\$ 179	\$ 24	\$ 1,764	\$ —	\$ —	
21	<i>Operational deposits placed at financial sector entities or their consolidated subsidiaries</i>	\$ 1,800	\$ —	\$ —	\$ —	\$ —	\$ 900	
22	<i>Loans and Securities:</i>	\$ 952	\$ 33,467	\$ 26,507	\$ 275,155	\$ —	\$ 253,166	
23	Loans to financial sector entities secured by level 1 liquid assets	143	1,538	—	—	—	—	
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	817	1,259	819	7,943	—	8,665	
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	(271)	29,085	25,409	204,539	—	199,712	
26	Of which: With a risk weight no greater than 20 percent under regulation Q (12 CFR part 217)	—	—	—	6,291	—	4,089	
27	Retail mortgages	—	—	—	57,868	—	39,340	
28	Of which: With a risk weight of no greater than 50 percent under regulation Q (12 CFR part 217)	—	—	—	49,239	—	32,005	
29	Securities that do not qualify as HQLA	263	1,585	279	4,805	—	5,449	
<i>Other assets:</i>								
30	Commodities	—						—
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss sharing arrangements	677						575
32	NSFR derivatives asset amount	631						631
33	Total derivatives asset amount	4,117						—
34	RSF for potential derivatives portfolio valuation changes	4,645						232
35	All other assets not included in the above categories, including nonperforming assets	62,395	2,503	252	2,437	—	66,491	
36	<i>Undrawn commitments</i>	\$169,756						\$ 8,488
37	<b>TOTAL RSF prior to application of required stable funding adjustment percentage</b>						<b>\$ 342,094</b>	
38	<b>Required stable funding adjustment percentage</b>						<b>85 %</b>	
39	<b>Total adjusted RSF</b>						<b>\$ 290,780</b>	
40	<b>Net Stable Funding Ratio</b>						<b>127 %</b>	

<sup>(1)</sup> Totals deduct Truist Bank Excess ASF.

## Net Stable Funding Ratio

Truist Financial Corporation

June 30, 2023

Three months ended June 30, 2023 (dollars in millions)		Average Unweighted Amount					Average Weighted Amount
		Open Maturity	< 6 Months	6 months to < 1 year	≥ 1 year	Perpetual	
<b>ASF Item</b>							
1	<i>Capital and Securities:</i>	\$ —	\$ 6,081	\$ 3,576	\$ 28,030	\$ 68,401	\$ 98,219
2	NSFR regulatory capital elements	—	—	—	5,116	68,401	73,517
3	Other capital elements and securities	—	6,081	3,576	22,914	—	24,702
4	<i>Retail Funding:</i>	\$ 235,618	\$ 25,382	\$ 4,684	\$ 61	\$ —	\$ 235,745
5	Stable Deposits	148,918	11,715	—	—	—	152,602
6	Less Stable Deposits	72,123	9,124	—	—	—	73,123
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	14,577	4,426	4,684	61	—	9,962
8	Other retail funding	—	117	—	—	—	59
9	<i>Wholesale Funding:</i>	\$ 128,338	\$ 14,743	\$ 12,009	\$ 27,629	\$ —	\$ 101,551
10	Operational Deposits	46,619	197	—	—	—	23,408
11	Other wholesale funding	81,719	14,546	12,009	27,629	—	78,143
<i>Other liabilities:</i>							
12	NSFR derivatives liability amount	3,480					
13	Total derivatives liability amount	4,319					
14	All other liabilities not included in the above categories	4,089	1,630	—	1,233	—	—
15	<b>Total ASF<sup>(1)</sup></b>						<b>\$ 369,665</b>
<b>RSF Item</b>							
16	<i>Total high-quality liquid assets (HQLA)</i>	\$ 64,161	\$ 2,669	\$ 2,198	\$ 84,772	\$ —	\$ 11,647
17	Level 1 Liquid Assets	33,894	646	2,197	39,418	—	—
18	Level 2A Liquid Assets	30,267	2,023	1	45,354	—	11,647
19	Level 2B Liquid Assets	—	—	—	—	—	—
20	<i>Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries</i>	\$ 772	\$ 152	\$ 8	\$ 1,099	\$ —	\$ —
21	<i>Operational deposits placed at financial sector entities or their consolidated subsidiaries</i>	\$ 1,351	\$ —	\$ —	\$ —	\$ —	\$ 676
22	<i>Loans and Securities:</i>	\$ 1,648	\$ 34,444	\$ 23,319	\$ 277,845	\$ —	\$ 254,796
23	Loans to financial sector entities secured by level 1 liquid assets	92	1,275	—	—	—	—
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	952	1,426	1,285	7,606	—	8,606
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	341	30,359	21,522	206,341	—	200,326
26	Of which: With a risk weight no greater than 20 percent under regulation Q (12 CFR part 217)	—	—	—	5,876	—	3,819
27	Retail mortgages	—	—	—	58,354	—	39,742
28	Of which: With a risk weight of no greater than 50 percent under regulation Q (12 CFR part 217)	—	—	—	49,295	—	32,042
29	Securities that do not qualify as HQLA	263	1,384	512	5,544	—	6,122
<i>Other assets:</i>							
30	Commodities	—					—
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss sharing arrangements	1,100					935
32	NSFR derivatives asset amount	670					670
33	Total derivatives asset amount	3,800					
34	RSF for potential derivatives portfolio valuation changes	4,530					226
35	All other assets not included in the above categories, including nonperforming assets	62,499	2,781	180	2,123	—	66,386
36	<i>Undrawn commitments</i>	\$171,453					\$ 8,573
37	<b>TOTAL RSF prior to application of required stable funding adjustment percentage</b>						<b>\$ 343,909</b>
38	<b>Required stable funding adjustment percentage</b>						<b>85 %</b>
39	<b>Total adjusted RSF</b>						<b>\$ 292,323</b>
40	<b>Net Stable Funding Ratio</b>						<b>126 %</b>

(1) Totals deduct Truist Bank Excess ASF.

#### IV. Concentrations of Funding Sources and Changes in Funding Structure

##### Sources of Funds

Truist's balance sheet is composed of diversified funding sources including deposits, capital markets secured and unsecured funding, and shareholders' equity. Deposits are the primary source of funds for Truist Bank's lending and investing activities. Additionally, Truist Bank may access funding through short- or long-term secured borrowings, through the issuance of unsecured long-term debt, or from inter-company borrowings from the Parent Company. Truist's non-bank subsidiaries are primarily funded through internal funding arrangements or, in the case of Truist Securities, through short-term secured borrowings which are securities sold under repurchase agreements. Truist Bank represents over 98% of Truist total liabilities and equity capital.

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

##### Deposits

Truist has a granular and diversified deposit base comprised largely of core retail and commercial clients. Truist's deposits are a stable and primary source of funding and limit the Company's need for wholesale capital markets funding. Within the NSFR Rule, retail funding is grouped into the following primary categories: 1) stable deposits, 2) less stable deposits, and 3) sweep deposits, brokered reciprocal deposits, and brokered deposits. Wholesale funding are grouped into the primary categories of operational deposits, and other wholesale funding.

##### Funding Structure

Truist's stable funding mix contributes to the stability of the NSFR. The tables below summarize NSFR weighted funding source concentrations for the three months ended March 31, 2023 and June 30, 2023, respectively.

Funding Concentrations Three months ended March 31, 2023 (dollar in millions)	Average unweighted ASF amount	Average weighted ASF amount <sup>(1)</sup>	Average weighted ASF Rate <sup>(2)</sup>
<b>Capital and Securities</b>	<b>\$ 106,955</b>	<b>\$ 95,369</b>	<b>89%</b>
Regulatory capital elements	71,323	71,323	100%
Other capital elements and securities	35,632	24,046	67%
<b>Retail Funding</b>	<b>\$ 264,362</b>	<b>\$ 237,236</b>	<b>90%</b>
Stable deposits	160,056	152,054	95%
Less stable deposits	85,145	76,631	90%
Sweep deposits, brokered reciprocal deposits, and brokered deposits	19,095	8,518	45%
Other retail funding	66	33	50%
<b>Wholesale Funding</b>	<b>\$ 176,873</b>	<b>\$ 93,753</b>	<b>53%</b>
Operational deposits	48,591	24,296	50%
Other wholesale funding	128,282	69,457	54%
<b>Total</b>	<b>\$ 548,190</b>	<b>\$ 426,358</b>	<b>78%</b>

<sup>(1)</sup> Represent the average weighted amount after applying NSFR rule prescribed ASF rates. Totals do not deduct Truist Bank Excess ASF.

<sup>(2)</sup> The higher the ASF rate, the higher degree of funding stability.

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<b>Funding Concentrations</b> <b>Three months ended June 30, 2023</b> <b>(dollars in millions)</b>	<b>Average unweighted</b> <b>ASF amount</b>	<b>Average weighted</b> <b>ASF amount <sup>(1)</sup></b>	<b>Average weighted</b> <b>ASF Rate <sup>(2)</sup></b>
<b>Capital and Securities</b>	<b>\$ 106,088</b>	<b>\$ 98,219</b>	<b>93%</b>
Regulatory capital elements	73,517	73,517	100%
Other capital elements and securities	32,571	24,702	76%
<b>Retail Funding</b>	<b>\$ 265,745</b>	<b>\$ 235,746</b>	<b>89%</b>
Stable deposits	160,633	152,602	95%
Less stable deposits	81,247	73,123	90%
Sweep deposits, brokered reciprocal deposits, and brokered deposits	23,748	9,962	42%
Other retail funding	117	59	50%
<b>Wholesale Funding</b>	<b>\$ 182,719</b>	<b>\$ 101,551</b>	<b>56%</b>
Operational deposits	46,816	23,408	50%
Other wholesale funding	135,903	78,143	57%
<b>Total</b>	<b>\$ 554,552</b>	<b>\$ 435,516</b>	<b>79%</b>

<sup>(1)</sup> Represent the average weighted amount after applying NSFR rule prescribed ASF rates. Totals do not deduct Truist Bank Excess ASF.

<sup>(2)</sup> The higher the ASF rate, the higher degree of funding stability.

For the quarterly periods ended March 31, 2023 and June 30, 2023, Truist's quarter over quarter average weighted ASF rate increased by 1% to 79%. Capital and Securities weighted ASF increased by \$2.8 billion attributed to capital action strategy. Wholesale funding weighted ASF increased by \$7.8 billion primarily attributed to term FHLB advances included within other wholesale funding. The increase in term FHLB advances represent proactive funding actions related to the March 2023 industry bank failures that led to systemic reputation and liquidity risks across the industry. Retail funding ASF decreased \$1.5 billion primarily due to decreases in less stable deposits, partially offset by sweep and brokered deposits. ASF after considering the exclusion for excess held at Truist Bank was relatively stable between the first and second quarters of 2023.