TRUIST

Liquidity Coverage Ratio Disclosure

Truist Financial Corporation

December 31, 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 wholesale and consumer businesses, including consumer and small business banking, commercial banking, corporate and investment banking, insurance, wealth management, payments, 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.

Banking agencies have proposed certain actions described below. We continue to evaluate these proposals and the potential impacts, if adopted as proposed, on the Company and Truist Bank.

In August 2023, the U.S. banking regulators proposed a rule that would require banking organizations with $100 billion or more in total assets to comply with long-term debt requirements and clean holding company requirements that currently apply only to global systemically important banking organizations. This proposal would also impose a long-term debt requirement on certain categories of insured depository institutions, including insured depository institutions with $100 billion or more in total assets, such as Truist Bank. If adopted, this proposal would require the Company and Truist Bank to each maintain a minimum outstanding eligible long-term debt amount of no less than the greatest of (i) 6% of risk-weighted assets, (ii) 2.5% of total leverage exposure and (iii) 3.5% of average total consolidated assets. Truist Bank would be required to issue the minimum amount of eligible long-term debt to the Company, and the Company would be required to issue the minimum amount of eligible long-term debt externally. In addition, if adopted as proposed, the clean holding company requirement would limit or prohibit the Company from entering into certain transactions that could impede its orderly resolution, including, for example, prohibiting the Company from entering into transactions that could spread losses to subsidiaries and third parties, as well as limiting the amount of the Company's liabilities that are not eligible long-term debt.

This report provides certain quantitative and qualitative information on Truist's LCR. It should be read in conjunction with Truist's Annual Report on Form 10-K for the year ended December 31, 2023 and the Consolidated Financial Statements for Bank Holding Companies - FR Y-9C for the period ended December 31, 2023. Truist's SEC filings are located on its website at ir.truist.com/sec-filings and Truist's other regulatory reports are located on its website at ir.truist.com/other-filings.

II. Liquidity Coverage Ratio (LCR)

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

The LCR Rule requires that Truist and Truist Bank maintain an amount of eligible High-Quality Liquid Assets (HQLA) that is sufficient to meet their respective estimated total net cash outflows over a prospective 30 calendar-day period of stress. The LCR for both Truist and Truist Bank is required to be a minimum of 100%. As a Category III institution, Truist's and Truist Bank's LCR is subject to a reduced LCR factor of 0.85 of total net cash outflows. Truist's disclosures are based on daily averages.

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

The following table summarizes Truist's average LCR for the three months ending December 31, 2023.

Three Months Ended December 31, 2023 (Dollars in millions)		**Average Weighted Amount(1)**
HQLA(2)	$	84,906
Total adjusted net cash outflows		75,953
LCR		112 %
Excess eligible HQLA	$	14,798

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

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

For the quarterly period ended December 31, 2023, Truist's average reduced LCR was 112% and in compliance with the regulatory minimum for such entities of 100%. Truist's average LCR increased two percentage points during the three months ended December 31, 2023, compared with the three-month period ended September 30, 2023 due to an increase in average weighted HQLA.

III. U.S. LCR Quantitative Disclosure

The table below presents detail on Truist's consolidated average LCR, including HQLA, Cash Outflow and Cash Inflow, for the three months ended December 31, 2023.

Three Months Ended December 31, 2023 **(Dollars in millions)**		**Average Unweighted Amount**	**Average Weighted Amount**
HIGH-QUALITY LIQUID ASSETS			
1.	Total eligible high-quality liquid assets (HQLA), of which:	$ 89,252	$ 84,906
2.	Eligible level 1 liquid assets	60,279	60,279
3.	Eligible level 2A liquid assets	28,973	24,627
4.	Eligible level 2B liquid assets	—	—
CASH OUTFLOW AMOUNTS			
5.	Deposit outflow from retail customers and counterparties, of which:	$ 263,458	$ 19,649
6.	Stable retail deposit outflow	151,533	4,546
7.	Other retail funding	78,887	7,889
8.	Brokered deposit outflow	33,038	7,214
9.	Unsecured wholesale funding outflow, of which:	116,954	43,542
10.	Operational deposit outflow	47,019	11,719
11.	Non-operational funding outflow	69,415	31,303
12.	Unsecured debt outflow	520	520
13.	Secured wholesale funding and asset exchange outflow	19,077	2,991
14.	Additional outflow requirements, of which:	168,100	24,602
15.	Outflow related to derivative exposures and other collateral requirements	2,554	2,554
16.	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	165,546	22,048
17.	Other contractual funding obligations outflow	930	930
18.	Other contingent funding obligations outflow	34,839	1,045
19.	**TOTAL CASH OUTFLOW**	**$ 603,358**	**$ 92,759**
CASH INFLOW AMOUNTS			
20.	Secured lending and asset exchange cash inflow	$ 1,915	$ 307
21.	Retail cash inflow	1,732	866
22.	Unsecured wholesale cash inflow	3,789	2,081
23.	Other cash inflows, of which:	635	607
24.	Net derivative cash inflow	386	386
25.	Securities cash inflow	213	213
26.	Broker-dealer segregated account inflow	8	8
27.	Other cash inflow	28	—
28.	**TOTAL CASH INFLOW**	**$ 8,071**	**$ 3,861**
			Average Amount(1)
29.	**HQLA AMOUNT(2)**		**$ 84,906**
30.	**TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON**		**88,898**
31.	**MATURITY MISMATCH ADD-ON**		**458**
32.	**TOTAL UNADJUSTED NET CASH OUTFLOW AMOUNT**		**$ 89,356**
33.	**OUTFLOW ADJUSTMENT PERCENTAGE**		**85 %**
34.	**TOTAL ADJUSTED NET CASH OUTFLOW AMOUNT**		**$ 75,953**
35.	**LIQUIDITY COVERAGE RATIO (%)**		**112 %**

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

IV. The Composition of Eligible HQLA

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

For the three months ended December 31, 2023, Truist's average weighted HQLA was $84.9 billion, which includes $60.3 billion of eligible Level 1 assets and $24.6 billion of eligible Level 2A assets. Truist currently does not include any Level 2B assets as HQLA.

V. Total Adjusted Net Cash Outflows

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

VI. Concentration of Funding Sources

Deposits

Truist has a granular and diversified deposit base comprising largely core retail and commercial clients. Truist's deposits are a stable and primary source of funding and limit the Company's need for wholesale funding. For the three months ended December 31, 2023, Truist had total average unweighted retail deposits of $263.5 billion. In addition, for the three months ended December 31, 2023, Truist had total average unweighted unsecured wholesale operational deposits of $47.0 billion, and total average unweighted unsecured wholesale non-operational funding of $69.4 billion. The remaining deposit base includes public fund deposits which are included within LCR Quantitative Disclosure table line 13, secured wholesale funding and asset exchange outflow. Truist's total average weighted deposit cash outflow rate is 16.5%.

Wholesale Funding

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

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

In March 2023, the FRB created the Bank Term Funding Program to support American businesses and households by making additional funding available to eligible depository institutions. This program offers loans up to one year in length to banks, savings associations, credit unions, and other eligible depository institutions pledging any collateral eligible for purchase by the FRB in open market operations, such as U.S. Treasuries, U.S. agency securities, and U.S. agency mortgage-backed securities. On January 24, 2024, the Federal Reserve announced that they will no longer make loans through this program as of March 11, 2024.

VII. Derivative Exposure

Truist uses derivatives primarily to manage the economic risk related to securities, commercial loans, MSRs and mortgage banking operations, long-term debt and other funding sources. Truist also enters into derivatives as a market maker to facilitate hedging transactions for its clients. Truist's total net cash outflows related to derivative exposures and other collateral requirements amounted to 2% of total unadjusted net cash outflows for the fourth quarter of 2023.

VIII. Liquidity Management

Liquidity Risk Management

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

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

Liquidity Risk Oversight

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

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

For additional information, refer to the Funding Activities and Liquidity sections of Truist's Annual Report on Form 10-K for the year ended December 31, 2023.