

TRUIST



Net Stable Funding Ratio Disclosure

Truist Financial Corporation

December 31, 2023

(Includes Q3 and Q4 results)

Net Stable Funding Ratio

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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.

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>.

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

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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 September 30, 2023 and three months ended December 31, 2023, respectively.

Three months ended September 30, 2023 (dollars in millions)		Average weighted amount ⁽¹⁾
Truist Financial Corporation:		
Total ASF ⁽²⁾	\$	360,610
Total adjusted RSF		285,780
NSFR		126 %

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

⁽²⁾ Excludes average excess ASF at Truist Bank that cannot be transferred.

Three months ended December 31, 2023 (dollars in millions)		Average weighted amount ⁽¹⁾
Truist Financial Corporation:		
Total ASF ⁽²⁾	\$	353,219
Total adjusted RSF		279,579
NSFR		126 %

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

⁽²⁾ 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 periods ended June 30, 2023, September 30, 2023 and December 31, 2023, Truist's average reduced NSFR was 126% for all periods, and in compliance with the regulatory minimum for such entities of 100%.

Truist's NSFR for the 3rd quarter was unchanged as decreases in total average weighted ASF were offset by decreases in total average weighted RSF. The decreases in ASF were primarily driven by lower wholesale funding. The decreases in RSF were primarily driver by lower loans and other assets.

Truist's NSFR for the 4th quarter was unchanged as decreases in total average weighted ASF were offset by decreases in total average weighted RSF. The decreases in ASF were primarily driven by lower retail and wholesale funding. The decreases in RSF were primarily driver by lower loans and other assets.

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 September 30, 2023 and three months ended December 31, 2023, respectively.

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Quarter Ended 9/30/23 (dollars in millions)		Average Unweighted Amount					Average Weighted Amount	
		Open Maturity	< 6 Months	6 months to < 1 year	≥ 1 year	Perpetual		
ASF Item								
1	<i>Capital and Securities:</i>	\$ —	\$ 4,376	\$ 2,179	\$ 29,352	\$ 67,769	\$ 98,211	
2	NSFR regulatory capital elements	—	—	—	5,000	67,769	72,770	
3	Other capital elements and securities	—	4,376	2,179	24,352	—	25,441	
4	<i>Retail Funding:</i>	\$ 230,703	\$ 33,379	\$ 5,063	\$ 44	\$ —	\$ 234,916	
5	Stable Deposits	143,720	14,592	—	—	—	150,397	
6	Less Stable Deposits	69,001	11,705	—	—	—	72,635	
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	17,982	6,938	5,063	44	—	11,813	
8	Other retail funding	—	144	—	—	—	72	
9	<i>Wholesale Funding:</i>	\$ 128,587	\$ 19,908	\$ 7,734	\$ 6,074	\$ —	\$ 80,377	
10	Operational Deposits	47,552	218	—	—	—	23,885	
11	Other wholesale funding	81,035	19,689	7,734	6,074	—	56,491	
<i>Other liabilities:</i>								
12	NSFR derivatives liability amount	4,195						
13	Total derivatives liability amount	5,171						
14	All other liabilities not included in the above categories	4,425	1,747	2	1,191	—	—	
15	Total ASF⁽¹⁾						\$ 360,610	
RSF Item								
16	<i>Total high-quality liquid assets (HQLA)</i>	\$ 60,471	\$ 3,732	\$ 1,561	\$ 79,800	\$ —	\$ 11,157	
17	Level 1 Liquid Assets	30,788	2,882	1,561	35,953	—	—	
18	Level 2A Liquid Assets	29,683	850	3	43,847	—	11,157	
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>	\$ 670	\$ 205	\$ 5	\$ 1,052	\$ —	\$ —	
21	<i>Operational deposits placed at financial sector entities or their consolidated subsidiaries</i>	\$ 1,385	\$ —	\$ —	\$ —	\$ —	\$ 693	
22	<i>Loans and Securities:</i>	\$ 4,688	\$ 28,796	\$ 27,881	\$ 265,896	\$ —	\$ 246,387	
23	Loans to financial sector entities secured by level 1 liquid assets	53	1,048	—	—	—	—	
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	1,070	1,051	1,424	7,587	—	8,617	
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	3,272	25,445	26,210	194,911	—	192,638	
26	Of which: With a risk weight no greater than 20 percent under regulation Q (12 CFR part 217)	—	—	—	2,498	—	1,624	
27	Retail mortgages	—	—	—	57,973	—	39,427	
28	Of which: With a risk weight of no greater than 50 percent under regulation Q (12 CFR part 217)	—	—	—	49,250	—	32,012	
29	Securities that do not qualify as HQLA	292	1,253	246	5,426	—	5,705	
<i>Other assets:</i>								
30	Commodities	—						—
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss sharing arrangements	959						815
32	NSFR derivatives asset amount	794						794
33	Total derivatives asset amount	4,574						—
34	RSF for potential derivatives portfolio valuation changes	5,620						281
35	All other assets not included in the above categories, including nonperforming assets	61,856	3,006	319	1,807	—	67,533	
36	<i>Undrawn commitments</i>	\$171,046						\$ 8,552
37	TOTAL RSF prior to application of required stable funding adjustment percentage						\$ 336,212	
38	Required stable funding adjustment percentage						85 %	
39	Total adjusted RSF						\$ 285,780	
40	Net Stable Funding Ratio						126 %	

(1) Totals deduct Truist Bank Excess ASF.

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Quarter ended 12/31/23 (dollars in millions)		Average Unweighted Amount					Average Weighted Amount	
		Open Maturity	< 6 Months	6 months to < 1 year	≥ 1 year	Perpetual		
ASF Item								
1	<i>Capital and Securities:</i>	\$ —	\$ 4,434	\$ 2,181	\$ 29,053	\$ 67,367	\$ 97,510	
2	NSFR regulatory capital elements	—	—	—	4,678	67,367	72,045	
3	Other capital elements and securities	—	4,434	2,181	24,375	—	25,466	
4	<i>Retail Funding:</i>	\$ 223,909	\$ 36,338	\$ 3,415	\$ 38	\$ —	\$ 230,405	
5	Stable Deposits	139,720	16,579	—	—	—	148,485	
6	Less Stable Deposits	66,526	12,361	—	—	—	70,998	
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	17,663	7,190	3,415	38	—	10,818	
8	Other retail funding	—	207	—	—	—	104	
9	<i>Wholesale Funding:</i>	\$ 128,728	\$ 24,804	\$ 3,469	\$ 2,594	\$ —	\$ 77,412	
10	Operational Deposits	46,788	231	—	—	—	23,510	
11	Other wholesale funding	81,939	24,573	3,469	2,594	—	53,903	
<i>Other liabilities:</i>								
12	NSFR derivatives liability amount	3,458						
13	Total derivatives liability amount	4,316						
14	All other liabilities not included in the above categories	5,567	1,873	8	1,564	—	—	
15	Total ASF⁽¹⁾						\$ 353,219	
RSF Item								
16	<i>Total high-quality liquid assets (HQLA)</i>	\$ 62,491	\$ 4,910	\$ 902	\$ 76,830	\$ —	\$ 10,841	
17	Level 1 Liquid Assets	36,478	4,870	902	30,607	—	—	
18	Level 2A Liquid Assets	26,013	40	—	46,223	—	10,841	
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>	\$ 871	\$ 135	\$ 9	\$ 1,696	\$ —	\$ —	
21	<i>Operational deposits placed at financial sector entities or their consolidated subsidiaries</i>	\$ 1,386	\$ —	\$ —	\$ —	\$ —	\$ 693	
22	<i>Loans and Securities:</i>	\$ 5,765	\$ 29,691	\$ 26,330	\$ 260,088	\$ —	\$ 241,507	
23	Loans to financial sector entities secured by level 1 liquid assets	92	897	—	—	—	—	
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	1,102	1,307	1,775	7,429	—	8,678	
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	4,326	26,316	24,509	190,010	—	188,601	
26	Of which: With a risk weight no greater than 20 percent under regulation Q (12 CFR part 217)	—	—	—	2,417	—	1,571	
27	Retail mortgages	—	—	—	57,347	—	38,924	
28	Of which: With a risk weight of no greater than 50 percent under regulation Q (12 CFR part 217)	—	—	—	49,105	—	31,918	
29	Securities that do not qualify as HQLA	337	1,171	45	5,303	—	5,305	
<i>Other assets:</i>								
30	Commodities	—						—
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss sharing arrangements	903						768
32	NSFR derivatives asset amount	216						216
33	Total derivatives asset amount	3,510						
34	RSF for potential derivatives portfolio valuation changes	4,352						218
35	All other assets not included in the above categories, including nonperforming assets	59,285	3,685	517	1,578	—	66,399	
36	<i>Undrawn commitments</i>	\$165,473						\$ 8,274
37	TOTAL RSF prior to application of required stable funding adjustment percentage						\$ 328,916	
38	Required stable funding adjustment percentage						85 %	
39	Total adjusted RSF						\$ 279,579	
40	Net Stable Funding Ratio						126 %	

(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 99% 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 September 30, 2023 and December 31, 2023, respectively.

Funding Concentrations Three months ended September 30, 2023 (dollar in millions)	Average unweighted ASF amount	Average weighted ASF amount ⁽¹⁾	Average weighted ASF Rate ⁽²⁾
Capital and Securities	\$ 103,676	\$ 98,211	95%
Regulatory capital elements	72,769	72,770	100%
Other capital elements and securities	30,907	25,441	82%
Retail Funding	\$ 269,189	\$ 234,917	87%
Stable deposits	158,312	150,397	95%
Less stable deposits	80,706	72,635	90%
Sweep deposits, brokered reciprocal deposits, and brokered deposits	30,027	11,813	39%
Other retail funding	144	72	50%
Wholesale Funding	\$ 162,302	\$ 80,376	50%
Operational deposits	47,770	23,885	50%
Other wholesale funding	114,532	56,491	49%
Total	\$ 535,167	\$ 413,504	77%

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

⁽²⁾ The higher the ASF rate, the higher degree of funding stability.

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Funding Concentrations Three months ended December 31, 2023 (dollars in millions)	Average unweighted ASF amount	Average weighted ASF amount ⁽¹⁾	Average weighted ASF Rate ⁽²⁾
Capital and Securities	\$ 103,035	\$ 97,511	95%
Regulatory capital elements	72,045	72,045	100%
Other capital elements and securities	30,990	25,466	82%
Retail Funding	\$ 263,699	\$ 230,405	87%
Stable deposits	156,299	148,485	95%
Less stable deposits	78,887	70,998	90%
Sweep deposits, brokered reciprocal deposits, and brokered deposits	28,306	10,818	38%
Other retail funding	207	104	50%
Wholesale Funding	\$ 159,594	\$ 77,413	49%
Operational deposits	47,019	23,510	50%
Other wholesale funding	112,575	53,903	48%
Total	\$ 526,328	\$ 405,329	77%

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

⁽²⁾ The higher the ASF rate, the higher degree of funding stability.