Pillar 3 Regulatory Capital Disclosures

Truist Financial Corporation

June 30, 2024

Table of Contents

	Page No.
Glossary of Defined Terms	1
Introduction	3
Capital Structure	6
Capital Adequacy Process	9
Credit Risk	11
Credit Risk Mitigation	18
Securitizations	19
Equity Securities Not Subject to Market Risk Rule	21
Appendix:	
Cross Reference Table	23
Forward-Looking Statements and Other Terms	30

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.
BCBS	Basel Committee on Banking Supervision
BHC	Bank holding company
CAP	Capital Adequacy Process
CCAR	Comprehensive Capital Analysis and Review
CCB	Capital Conservation Buffer
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)
CP	Construction and permanent
CRE	Commercial real estate
CSA	Credit support annex
CVA	Credit valuation adjustment
DIF	Deposit Insurance Fund
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
FINRA	Financial Industry Regulatory Authority
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
MBS	Mortgage-backed securities
MD&A	Management’s Discussion and Analysis
MDB	Multilateral development bank
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
Rule	Basel III Final Rule
RWA	Risk-weighted assets
SBIC	Small Business Investment Company

Term	Definition
SCB	Stress Capital Buffer
SEC	Securities and Exchange Commission
SPE	Special purpose entity
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
TIH	Truist Insurance Holdings, LLC, an entity sold on May 6, 2024
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. As a leading U.S. commercial bank, Truist has leading market share in many of the high-growth markets across the country. Truist 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, wealth management, payments, and specialized lending businesses. Headquartered in Charlotte, North Carolina, Truist is a top-10 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 SEC and the FINRA.

Recent Events

We are subject to significant regulatory frameworks that affect the products and services that we may offer and the manner in which we may offer them, the risks that we may take, the ways in which we may operate, and the corporate and financial actions that we may take. We are also subject to direct supervision and periodic examinations by various governmental agencies and self-regulatory organizations that are charged with overseeing the kinds of business activities in which we engage. The regulatory and supervisory framework applicable to banking organizations is intended primarily for the protection of depositors and other customers, the DIF, the broader economy, and the stability of the U.S. financial system, rather than for the protection of shareholders and non-deposit creditors. In addition to banking laws and regulations, Truist is subject to various other laws and regulations, all of which directly or indirectly affect the operations and management of Truist and its ability to make distributions to shareholders. The descriptions below summarize certain updates to significant federal and state laws to which Truist is subject. These descriptions do not summarize all possible or proposed changes in laws or regulations and are not intended to be a substitute for the related statutes or regulatory provisions. Refer to "Regulatory and Supervisory Considerations" in Truist's Annual Report on Form 10-K for the year ended December 31, 2023 for additional disclosures.

In July 2023, the U.S. banking regulators issued a proposal to revise the risk-based capital standards applicable to the Company and Truist Bank. This proposal would introduce new approaches for credit risk, operational risk, market risk, and credit valuation adjustment risk that generally align with the approaches for these risks under the global Basel Accord adopted by the BCBS. The proposal would introduce a new measure of risk-weighted assets, which would reflect the proposed new standardized approaches for credit risk, operational risk, and credit valuation adjustment risk, as well as a proposed new measure for market risk that would be based on both internal models and standardized supervisory models of market risk. In addition, the proposal requires category III and IV financial institutions to include certain components of AOCI in the calculation of regulatory capital, as well as change the calculation of certain deductions consistent with standards in place for category I and II financial institutions. The proposal includes a proposed effective date of July 1, 2025, subject to a three-year transition period ending July 1, 2028, over which the expanded total risk-weighted assets would be phased in. We continue to evaluate this proposal 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.

In November 2023, the FDIC issued a final rule to implement a special assessment to recoup losses to the DIF associated with bank failures in the first half of 2023. The assessment is based on an insured depository institution's estimated uninsured deposits reported as of December 31, 2022. The special assessment for Truist is $595 million, with $507 million recognized in the fourth quarter of 2023 and additional adjustments of $75 million and $13 million recognized in the first and second quarters of 2024, respectively, due to increases in the estimated relevant losses to the DIF reported by the FDIC. In June 2024, the FDIC provided notification that the collection period will be extended an additional two quarters beyond the initial eight quarterly installments. The special assessment will be paid in ten quarterly installments beginning in the second quarter of 2024. The ultimate amount of expenses associated with the special assessment will also be impacted by the finalization of the losses incurred by the FDIC in the resolutions of Silicon Valley Bank and Signature Bank, which could result in additional expense. Refer to "Note 14. Commitments and Contingencies" in Truist's June 30, 2024 Form 10-Q for information related to the FDIC's special assessment.

In March 2024, the FDIC released proposed revisions to its statement of policy on bank merger transactions. The proposal reflects regulatory, legislative, and industry changes since the statement of policy was last published for comment and amended, makes the statement more principles-based, communicates the FDIC Board's expectations regarding the evaluation of merger applications filed under the Bank Merger Act, and describes the types of merger applications for which the FDIC is the responsible agency. Also, in July 2024, the FDIC released a proposed rule to amend its regulations under the Change in Bank Control Act, which generally provides that no person may directly or indirectly acquire control of an insured depository institution unless the person has given the appropriate federal banking agency prior notice of the proposed transaction and the agency has not disapproved it. The FDIC's regulations contain a rebuttable presumption that the acquisition of voting securities of a holding company like Truist that directly or indirectly controls an insured state nonmember bank like Truist Bank constitutes such an acquisition of control requiring prior notice to the FDIC if, immediately after the transaction, the acquiring person will own, control, or hold with power to vote 10% or more of any class of voting securities of the holding company and other specified conditions are met. The proposed rule removes an explicit exemption for transactions where the FRB reviews a notice under the Change in Bank Control Act. In addition, the FDIC seeks information and comment about its approach in response to these notices, including the role played by asset managers and other institutional investors with FDIC-supervised institutions. We continue to evaluate both proposals and the potential impacts, if adopted as proposed, on the Company and Truist Bank.

The FRB's capital plan rule provides that a BHC must update and resubmit its capital plan if the BHC determines there has been or will be a material change in its risk profile, financial condition, or corporate structure since it last submitted the capital plan. Truist determined that the sale of our remaining equity interests in TIH constituted such a material change and, therefore, addressed the material change in our capital plan submitted in April 2024. The capital plan rule further provides that, upon the occurrence of an event requiring resubmission and pending the FRB's consideration of the resubmitted capital plan, a BHC may not make any capital distribution unless it has received prior approval of the FRB. In July 2024, the FRB notified Truist that the FRB's prior approval was no longer required to make capital distributions in connection with the April 2024 capital plan.

On May 6, 2024, the Company completed the sale of its remaining equity interests in TIH. The sale resulted in cash proceeds to Truist of approximately $10.1 billion after-tax, reflecting certain closing adjustments for cash, debt and debt-like items, including the settlement of certain previously granted TIH equity awards, working capital, transaction expenses, and an investor return amount associated with the originally sold 20% stake. The transaction improves Truist's relative capital position and allows Truist to maintain strategic flexibility. Upon closing, the transaction resulted in a full deconsolidation of the TIH subsidiary from Truist and resulted in an approximate after-tax gain of approximately $4.8 billion. Additionally, following the sale of TIH, Truist retained the postretirement benefit obligation for TIH employees and changed the status of TIH employees by eliminating their eligibility to earn future service credits. Refer to "Note 2. Discontinued Operations" in Truist's June 30, 2024 Form 10-Q for additional information related to discontinued operations.

Following the completion of the sale of TIH, Truist executed a strategic balance sheet repositioning of a portion of its AFS investment securities portfolio by selling $27.7 billion of lower-yielding investment securities, resulting in an after-tax loss of $5.1 billion in the second quarter of 2024. The investment securities that were sold had a book value of $34.4 billion and a weighted average book yield of 2.80% for the remainder of 2024 including the impact of hedges and based on the Federal Funds futures curve at the time. Including the tax benefit, the repositioning generated $29.3 billion available for reinvestment.

Truist invested approximately $18.7 billion of the $39.4 billion generated from the sale of TIH and the balance sheet repositioning in shorter duration investment securities yielding 5.27%. The remaining $20.7 billion was invested in cash. The blended reinvestment rate on the new investment securities purchased and cash is 5.22% for the remainder of 2024 including the impact of hedges and based on the Federal Funds futures curve at the time.

Our Board authorized the repurchase of up to $5 billion of common stock beginning in the third quarter of 2024 through the end of 2026. The most recent FRB stress test highlighted our ability to weather a variety of stressed economic scenarios.

In June 2024, the FDIC adopted a final rule to significantly modify the required frequency and informational content of resolution plan submissions applicable to insured depository institutions with $50 billion or more in total assets. As a covered insured depository institution in group A under the rule, Truist Bank must develop an identified strategy for its resolution that is adaptable across a range of possible failure scenarios. The rule also introduces a new credibility standard for evaluating the adequacy of resolution plan submissions. The contours of the FDIC's application of this new credibility standard remain to be seen and may require the exercise of a meaningful degree of judgment by the FDIC. A failure by Truist Bank to satisfy the credibility standard, or any other provision of the rule, may cause the FDIC to require Truist Bank to reconsider portions of its resolution plan or result in an enforcement action by the FDIC. Truist Bank will be required to submit to the FDIC full resolution plans every three years and interim targeted information between full resolution plan submissions. The final rule is effective October 1, 2024, and the first full resolution plan submission by Truist Bank will be due no sooner than 270 days after the effective date.

In August 2024, the FDIC and the FRB issued final joint guidance regarding resolution plans submitted by large bank holding companies. Truist, as a domestic triennial full filer under the rule, is required to submit a resolution plan every three years, beginning on October 1, 2025, which reflects the characteristics of the firm and its business operations and supports the goal of substantially mitigating serious adverse effects on the financial stability of the United States in the event of the firm's failure. The agencies have not yet finalized a rule requiring large bank holding companies to issue long-term debt that would serve as pre-positioned resolution resources in the event of a firm's failure. The long-term debt rule, when finalized, may have an impact on Truist's resolution plan strategy which may result in revisions to its resolution plan submission.

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, 2023 and Quarterly Report on Form 10-Q for the period ended June 30, 2024 and the Consolidated Financial Statements for Bank Holding Companies - Form FR Y-9C for the period ended June 30, 2024. 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.

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 Annual Report on Form 10-K for the year ended December 31, 2023 and Quarterly Report on Form 10-Q for the period ended June 30, 2024 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 the Rule, 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 to 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 June 30, 2024, 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 primarily includes common shareholders' equity subject to certain regulatory adjustments and deductions, including with respect to goodwill, intangible assets, certain deferred tax assets, and AOCI.
- Tier 1 capital primarily includes CET1 capital, perpetual preferred stock, and certain qualifying capital instruments.
- Tier 2 capital primarily includes qualifying subordinated debt and qualifying ACL, adjusted for certain items. 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 June 30, 2024 Form FR Y-9C. Refer to the "Consolidated Balance Sheets" in Truist's June 30, 2024 Form 10-Q for the components of total shareholders' equity.

Capital in Subsidiaries

At June 30, 2024, 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, 2023 and Quarterly Report on Form 10-Q for the period ended June 30, 2024 for additional disclosures related to market risk management.

Components of RWA

The following table presents Truist's RWA by exposure type at June 30, 2024:

Table 3-1
Basel III Standardized Transitional Approach RWA

(Dollars in millions)	June 30, 2024
Credit risk[1]:	
Corporate and consumer exposures[2]	$ 318,833
Exposure to residential mortgage loans	37,993
Equity exposures	17,721
Exposure to GSEs	11,163
Exposure to PSEs	6,269
Securitization exposures	3,432
Exposure to OTC derivatives	2,010
Exposure to past due loans	1,781
Exposure to HVCRE loans	1,597
Exposure to statutory multifamily mortgage	1,011
Exposure to depository institutions, foreign banks and credit unions	811
Exposure to sovereign entities	462
Cleared transactions	10
Total standardized credit risk	403,093
Total standardized market risk	9,514
Total standardized RWA	$ 412,607

(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 June 30, 2024 Form Y-9C, Schedule HC-R Part I and Part II, on the FFIEC website for disclosures required by the Rule 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 June 30, 2024, 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 and leverage capital 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 to 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.

Under the FRB's capital framework for BHCs, Truist is subject to capital requirements, including the SCB, that are determined from the supervisory stress test results. 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 2.9%, which is effective from October 1, 2023 to September 30, 2024. Under the 2024 CCAR process, Truist was notified its preliminary SCB requirement would be 2.8% from October 1, 2024 through September 30, 2025. Truist is required to describe its planned capital actions in its CCAR capital plan, but 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 establishes an earlier effective date. If the full countercyclical buffer amount is implemented, Truist would be required to maintain a CET1 capital ratio of at least 9.9%, a Tier 1 capital ratio of at least 11.4%, and a Total capital ratio of at least 13.4% to avoid limitations on capital distributions and certain discretionary incentive compensation payments. In addition, 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%. See additional discussion related to the SCB and CCB in Truist's Annual Report on Form 10-K for the year ended December 31, 2023 and Quarterly Report on Form 10-Q for the period ended June 30, 2024.

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 June 30, 2024 are reflected in the table below. The FRB has not yet revised the well-capitalized standard for BHCs to reflect capital requirements imposed under the Rule. 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 to meet the well-capitalized minimum. The FRB may require BHCs, including Truist, to maintain capital ratios in excess of mandated minimum levels, depending upon general economic conditions and a BHC's particular condition, risk profile, and growth plans.

The following table presents regulatory capital and risk-based capital ratios for Truist and Truist Bank at June 30, 2024:

Table 3-2
Capital Requirements and Ratios
June 30, 2024

(Dollars in millions)	Minimum Capital	Well-Capitalized	Minimum Capital Plus SCB / CCB[(1)]	Ratio	Amount
Truist:					
CET1	4.5 %	NA	7.4 %	11.6 %	$ 47,706
Tier 1 capital	6.0	6.0 %	8.9	13.2	54,376
Total capital	8.0	10.0	10.9	15.4	63,345
Leverage ratio	4.0	NA	NA	10.5	54,376
Supplementary leverage ratio	3.0	NA	NA	8.9	54,376
Truist Bank:					
CET1	4.5 %	6.5 %	7.0 %	13.1 %	$ 52,728
Tier 1 capital	6.0	8.0	8.5	13.1	52,728
Total capital	8.0	10.0	10.5	14.9	59,974
Leverage ratio	4.0	5.0	NA	10.3	52,728
Supplementary leverage ratio	3.0	NA	NA	8.8	52,728

(1) Reflects an SCB requirement of 2.9% applicable to Truist as of June 30, 2024. Truist's SCB requirement, received in the 2023 CCAR process, is effective from October 1, 2023 to September 30, 2024. Under the 2024 CCAR process, Truist was notified its preliminary SCB requirement would be 2.8% from October 1, 2024 through September 30, 2025.

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, 2023 and the "Capital" MD&A section in Truist's Quarterly Report on Form 10-Q for the period ended June 30, 2024.

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 permitted banking organizations to elect to delay temporarily the implementation of CECL until January 2022 and subsequently to phase in the effects of CECL on regulatory capital through January 2025, which Truist elected to use. Under the five-year transition, Truist deferred 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, Truist began to phase in 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 2024 impact on CET1 related to the phase in was 12 basis points, representing one-fourth of the phase in. The final remaining phase in will be recognized in the first quarter of 2025.

Capital Adequacy Process

The maintenance of appropriate levels of capital is a management priority 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, remain a source of strength for 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, single-counterparty credit limits, resolution planning and risk management standards than those applicable to smaller institutions. Certain larger banking organizations are subject to additional enhanced prudential standards.

Under the Tailoring Rules, Truist is subject to the standards applicable to Category III banking organizations, which generally include BHCs 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 and NSFR. 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. The NSFR is 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 LCR and NSFR requirements equal to 85% of the full requirement.

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.

At June 30, 2024, the Company was compliant with the NSFR requirement. Truist's "Liquidity Coverage Ratio Disclosures" and "Net Stable Funding Ratio Disclosures" 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, 2023 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 hypothetical macro-economic conditions, including a supervisory severely adverse scenario provided by the FRB.

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 seeks to maintain 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 optimizing risk and return while operating in a safe and sound manner, and promoting compliance with applicable laws and regulations. The Company's risk management framework is designed to promote the execution of business strategies and objectives in alignment with its risk appetite.

Truist is committed to fostering a culture that supports identification 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 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, 2023 and Quarterly Report on Form 10-Q for the period ended June 30, 2024 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;
- 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 continuously 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, 2023 and Quarterly Report on Form 10-Q for the period ended June 30, 2024.

Maturities

The following tables provide the remaining contractual 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, 2023 and Quarterly Report on Form 10-Q for the period ended June 30, 2024.

Table 5-1
Carrying Amount of Loans and Leases by Maturity and Exposure Type
June 30, 2024

(Dollars in millions)	One Year and Less	1 to 5 Years	5 to 15 Years	After 15 Years	Total
Commercial:					
Commercial and industrial	$ 34,862	$ 85,819	$ 26,385	$ 9,334	$ 156,400
CRE	5,159	13,830	2,697	44	21,730
Commercial construction	174	7,281	257	75	7,787
Retail:					
Residential mortgage	6	600	3,475	50,263	54,344
Home equity	194	549	963	8,066	9,772
Indirect auto	340	14,584	7,070	—	21,994
Other consumer	665	11,715	12,399	3,898	28,677
Credit card	4,988	—	—	—	4,988
Total	$ 46,388	$ 134,378	$ 53,246	$ 71,680	$ 305,692

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
June 30, 2024

(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	$ 31,777	$ 106,584	$ 1,739	$ 212	$ 140,312	$ 140,304
CRE	457	414	31	—	902	935
Commercial construction	818	4,726	16	41	5,601	5,860
Retail:						
Residential mortgage(2)	—	—	16	837	853	817
Home equity	1,170	8,476	11,295	103	21,044	21,195
Other consumer	2,445	4,828	1,947	270	9,490	9,611
Credit card	23,312	—	—	—	23,312	23,387
Total unfunded commitments(3)	$ 59,979	$ 125,028	$ 15,044	$ 1,463	$ 201,514	$ 202,109
Letters of credit:						
Standby(3)	$ 1,895	$ 3,958	$ 48	$ 2	$ 5,903	$ 5,760
Commercial	38	26	—	—	64	65

(1) Approximately $53.0 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 $4.0 billion of unfunded commitments and $876 million of letters of credit that have been conveyed to others and $1.1 billion of other non-credit unfunded commitments.

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 5-3
Commercial Credit Exposure by Industry
June 30, 2024

		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	$ 18,826	$ —	$ 28	$ 1	$ 20,404
Manufacturing	13,996	5	8	71	21,755
Health care and social assistance	12,695	4	—	99	6,138
Retail trade	12,214	3	20	48	13,124
Real estate and rental and leasing	12,124	14	6	1	8,789
Public administration	9,729	5	—	—	887
Wholesale trade	7,518	6	—	4	10,817
Information	6,668	—	—	39	7,816
Transportation and warehousing	5,070	4	9	15	6,579
Educational services	4,677	2	—	—	1,534
Professional, scientific, and technical services	4,028	4	—	8	7,606
Utilities	3,588	—	—	9	8,696
Arts, entertainment, and recreation	3,491	—	—	—	2,738
Other services (except public administration)	3,146	3	—	2	2,466
Administrative and support and waste management and remediation services	3,136	10	12	—	3,092
Accommodation and food services	3,109	1	7	6	3,481
Other[(1)]	12,522	32	—	43	11,803
Subtotal	136,537	93	90	346	137,725
Business owner occupied	19,863	16	2	21	2,587
Total commercial and industrial	$ 156,400	$ 109	$ 92	$ 367	$ 140,312
CRE:					
Multifamily	$ 5,712	$ —	$ —	$ 1	$ 111
Industrial	4,291	—	—	3	176
Office	3,909	2	83	222	130
Retail	3,862	2	—	43	42
Hotel	2,275	2	—	—	16
Other[(1)]	1,681	2	—	8	427
Total CRE	$ 21,730	$ 8	$ 83	$ 277	$ 902
Commercial construction:					
Multifamily	$ 4,740	$ —	$ —	$ —	$ 2,994
Industrial	1,085	—	—	—	764
Single Family - CP	806	—	—	—	1,430
Office	612	—	—	—	91
Single Family - AD and CL	163	—	—	—	88
Other[(1)]	381	—	—	—	234
Total commercial construction	$ 7,787	$ —	$ —	$ —	$ 5,601
Total commercial	$ 185,917	$ 117	$ 175	$ 644	$ 146,815

(1) Represents other remaining industries or property types that are deemed to be individually insignificant.

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.

Table 5-4
Commercial Credit Exposure by Geography
June 30, 2024

(Dollars in millions)	LHFI	Accruing 30-89 Days Past Due	Nonperforming Amount Without an ALLL	Nonperforming Amount With an ALLL	Unfunded Commitments
Commercial and industrial:					
Florida	$ 18,227	$ 25	$ 61	$ 158	$ 11,359
Texas	15,045	8	—	33	17,335
North Carolina	12,325	8	—	16	7,778
Georgia	12,263	8	—	10	9,155
New York	10,597	3	—	4	10,852
Virginia	9,060	7	—	10	8,455
California	8,647	2	20	2	10,557
Pennsylvania	7,224	5	—	7	5,233
Maryland	6,915	3	—	4	4,744
Tennessee	5,621	1	—	61	4,412
Illinois	4,180	1	—	—	4,441
South Carolina	4,114	4	—	40	1,662
New Jersey	3,875	2	—	2	3,152
Ohio	3,153	1	—	—	5,203
Other[(1)]	35,154	31	11	20	35,974
Total commercial and industrial	$ 156,400	$ 109	$ 92	$ 367	$ 140,312
CRE:					
North Carolina	$ 2,443	$ 1	$ —	$ 4	$ 146
Florida	2,401	—	—	4	75
Georgia	2,281	1	—	53	57
California	1,778	—	73	39	72
Texas	1,775	—	—	—	97
New York	1,532	—	—	2	36
Pennsylvania	1,302	1	—	—	146
Virginia	1,184	—	—	3	65
District of Columbia	859	—	—	—	52
Maryland	815	—	10	13	7
Tennessee	815	1	—	1	9
Other[(1)]	4,545	4	—	158	140
Total CRE	$ 21,730	$ 8	$ 83	$ 277	$ 902
Commercial construction:					
Georgia	$ 1,222	$ —	$ —	$ —	$ 613
Texas	1,057	—	—	—	759
Florida	1,017	—	—	—	1,143
North Carolina	888	—	—	—	1,044
California	561	—	—	—	159
Other[(1)]	3,042	—	—	—	1,883
Total commercial construction	$ 7,787	$ —	$ —	$ —	$ 5,601
Total commercial	$ 185,917	$ 117	$ 175	$ 644	$ 146,815

(1) Includes non-U.S. loans of $4.4 billion, $63 million, and $36 million the commercial and industrial, CRE, and commercial construction portfolios, respectively. The remainder represents other remaining states that are deemed to be individually insignificant.

Table 5-5
Consumer Credit Exposure by Geography
June 30, 2024

		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	$ 7,724	$ 91	$ 50	$ —	$ 38	$ 167
Virginia	6,036	69	39	—	12	65
North Carolina	5,460	81	36	—	16	191
Georgia	4,854	70	39	—	15	133
Maryland	4,814	80	44	1	13	51
California	4,090	36	5	—	10	7
Texas	3,149	44	26	—	5	44
Washington	1,919	9	2	—	3	2
South Carolina	1,720	27	12	—	5	37
Colorado	1,533	5	3	—	2	3
District of Columbia	1,416	5	2	—	5	16
New Jersey	1,321	17	10	—	3	21
Tennessee	1,314	17	10	—	2	32
Massachusetts	1,222	12	5	—	2	2
Pennsylvania	1,047	31	15	—	7	17
Illinois	1,011	11	10	—	2	5
New York	752	19	10	—	4	1
Arizona	557	2	2	—	2	2
Other	4,405	106	82	—	14	57
Total residential mortgage	$ 54,344	$ 732	$ 402	$ 1	$ 160	$ 853
Home equity:						
Florida	$ 2,292	$ 15	$ 2	$ —	$ 35	$ 4,383
Virginia	1,450	8	1	—	17	3,668
North Carolina	1,402	7	1	—	14	3,822
Georgia	1,228	7	1	—	13	2,356
Maryland	720	5	1	—	11	1,567
Pennsylvania	716	5	1	—	11	1,312
Tennessee	538	3	—	—	6	1,243
South Carolina	470	2	—	—	3	1,191
Texas	287	1	—	—	2	361
Kentucky	160	1	—	—	2	308
Other	509	4	—	1	8	833
Total home equity	$ 9,772	$ 58	$ 7	$ 1	$ 122	$ 21,044
Indirect auto:						
Texas	$ 3,741	$ 93	$ —	$ 3	$ 31	$ —
Florida	2,844	66	—	2	22	—
North Carolina	2,424	44	—	1	15	—
Georgia	1,909	57	—	3	24	—
Virginia	1,170	20	—	1	7	—
South Carolina	1,116	17	—	—	6	—
Maryland	1,013	19	—	1	8	—
Alabama	826	22	—	1	11	—
New York	714	19	—	1	8	—
Pennsylvania	659	20	—	1	8	—
Tennessee	647	14	—	1	6	—
Other	4,931	201	1	13	70	—
Total indirect auto	$ 21,994	$ 592	$ 1	$ 28	$ 216	$ —

Table 5-5
Consumer Credit Exposure by Geography
June 30, 2024

(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
Other consumer:						
Florida	$ 3,758	$ 24	$ 2	$ —	$ 7	$ 2,149
Texas	2,932	26	2	—	8	385
California	2,129	23	3	—	6	155
North Carolina	2,003	11	1	—	4	1,872
Georgia	1,706	11	1	—	4	889
Virginia	1,327	6	1	—	3	1,318
Pennsylvania	1,116	8	1	—	3	403
New York	932	8	1	—	3	64
Maryland	855	5	1	—	2	471
South Carolina	781	5	—	—	2	597
Tennessee	714	4	—	—	1	308
Ohio	693	6	—	—	1	31
New Jersey	643	5	—	—	2	64
Illinois	568	4	—	—	2	19
Arizona	555	4	—	—	1	26
Alabama	538	4	—	—	2	84
Other	7,427	60	6	—	13	655
Total other consumer	$ 28,677	$ 214	$ 19	$ —	$ 64	$ 9,490
Total consumer	$ 114,787	$ 1,596	$ 429	$ 30	$ 562	$ 31,387

(1) Includes government guaranteed residential mortgages of $375 million as of June 30, 2024.

Table 5-6
Credit Card Exposure by Geography
June 30, 2024

June 30, 2024 (Dollars in millions)	LHFI	Accruing: 30-89 Days Past Due	Accruing: 90 or More Days Past Due	Unfunded Commitments
Florida	$ 1,021	$ 21	$ 13	$ 5,264
North Carolina	901	10	7	4,304
Virginia	745	9	6	3,674
Georgia	594	12	7	2,561
Maryland	313	5	3	1,457
Other	1,414	21	15	6,052
Total credit card	$ 4,988	$ 78	$ 51	$ 23,312

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 99.6% of the total securities portfolio as of June 30, 2024.

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 June 30, 2024 and "Note 1. Basis of Presentation" in Truist's Annual Report on Form 10-K for the year ended December 31, 2023.

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 June 30, 2024, the Company had $25 million of purchased non-cleared OTC credit derivatives related to management of its own balance sheet risk exposures. Additionally, the Company had $3.1 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 June 30, 2024 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 June 30, 2024 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. The Company also uses credit derivatives to reduce RWA for certain exposures and has certain conditional guarantees related to certain government guaranteed loan portfolios. 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. In the case of government guaranteed loans that are covered by a conditional guarantee the exposures are subject to a 20% risk weight.

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

Table 7-1
Total Exposure of OTC Derivative Contracts Covered by Eligible Collateral
June 30, 2024

(Dollars in millions)	Gross Current Credit Exposure	Potential Future Exposure	Total Exposure
Interest rate	$ 713	$ 339	$ 1,052
Credit	53	7	60
Commodity	461	713	1,174
Risk participation agreements	41	41	82
Foreign exchange	221	324	545
Equities	283	719	1,002
Total derivative gross credit exposure	1,772	2,143	3,915
Amounts subject to master netting arrangements	(900)	—	(900)
Collateral held	(496)	—	(496)
Net exposure for derivatives covered by eligible collateral	$ 376	$ 2,143	$ 2,519

CDS as Credit Risk Mitigant

As of June 30, 2024, the Company had $200 million of credit derivatives protection that were purchased as a credit risk mitigant that also met the requirements of a guarantee under the capital rules. This produced a RWA benefit of $118 million.

Government Guaranteed Exposures

Truist has certain loans and other assets totaling approximately $2.4 billion with guarantees by the U.S. government.

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 June 30, 2024.

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 MBS within its AFS portfolio. Exposure amounts at June 30, 2024 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 June 30, 2024, the Company held $77 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 Truist's Annual Report on Form 10-K for the year ended December 31, 2023 and Quarterly Report on Form 10-Q for the period ended June 30, 2024.

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 that are subject to the SSFA framework and their applicable risk weighting as of June 30, 2024. There were no amounts of exposures past due and impaired as of June 30, 2024, and no losses were incurred on the exposures during the quarter ended June 30, 2024.

Table 8-1
Total Securitizations by Risk Weight Category
June 30, 2024

(Dollars in millions)	Exposure Amount	RWA	RWA %	RWA Method
Exposure type:				
LHFI	$ 8,591	$ 2,006	23 %	SSFA
Unfunded commitment related to LHFI	6,763	1,411	21	SSFA
Securities AFS:				
Securitization[1]	10	2	20	SSFA
Other off-balance sheet amount[2]	1	13	1250	1250 %
Total securitization	$ 15,365	$ 3,432		

(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 June 30, 2024.

Table 8-2
Securitizations by Collateral Type
June 30, 2024

	Securitization Amount			
(Dollars in millions)	On-Balance Sheet	Off-Balance Sheet	Total	RWA
Collateral type:				
Trade receivables	$ 1,291	$ 1,301	$ 2,592	$ 518
Commercial and Industrial	3,964	2,852	6,816	1,450
Consumer Loans	2,386	1,801	4,187	1,084
Other	960	810	1,770	380
Total	$ 8,601	$ 6,764	$ 15,365	$ 3,432

Equity Securities Not Subject to Market Risk Rule

The Company holds equity securities for various purposes. The Company's investments in SBIC and other equity-method investments are to provide capital to support small businesses; investments in pension plans are held to reduce future pension expense; investments in affordable housing and renewable energy 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 $20.4 billion. The Company uses the simple risk-weight approach for its individual equity securities. The Company uses the full look-through approach for BOLI assets in separate accounts and other equity funds, which includes pension fund assets, money market funds, and certain other equity funds. 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 June 30, 2024.

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, 2023 for accounting policies related to equity investments and the valuation of financial instruments.

At June 30, 2024, the Company held approximately $284 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 net 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 June 30, 2024.

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
June 30, 2024

(Dollars in millions)	Exposure	RWA	Capital Impact of RWA[1]
20% risk weight	$ 946	$ 189	$ 15
100% risk weight	10,421	10,421	834
Full look-through approach	9,051	7,111	569
Total	$ 20,418	$ 17,721	$ 1,418
Public	$ 8,687		
Nonpublic	11,731		
Total	$ 20,418		

(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 June 30, 2024. References to Form 10-K are for the year ended December 31, 2023.

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 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 3-2
(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.

<table>
<tr><th>Disclosure Requirement</th><th>Disclosure Location</th></tr>
<tr><td colspan="2">Table 5 - Credit Risk: General Disclosures</td></tr>
<tr><td colspan="2">Qualitative:</td></tr>
<tr><td>(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.</td><td>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</td></tr>
<tr><td colspan="2">Quantitative:</td></tr>
<tr><td>(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.</td><td>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</td></tr>
<tr><td>(c) Geographic distribution of exposures, categorized in significant areas by major types of credit exposure.</td><td>Pillar 3 Regulatory Capital Disclosures:
Geographic Disclosures
Table 5-4
Table 5-5
Table 5-6
US Treasury, Agency, and Municipal Securities
Counterparty Credit Risk Related Disclosures</td></tr>
<tr><td>(d) Industry or counterparty type distribution of exposures, categorized by major types of credit exposure.</td><td>Pillar 3 Regulatory Capital Disclosures:
Industry Disclosures
Table 5-3
Counterparty Credit Risk Related Disclosures</td></tr>
<tr><td>(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.</td><td>Form 10-Q:
Note 5. Loans and ACL

Pillar 3 Regulatory Capital Disclosures:
Industry Disclosures
Table 5-3</td></tr>
<tr><td>(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.</td><td>Pillar 3 Regulatory Capital Disclosures:
Geographic Disclosures
Table 5-4
Table 5-5
Table 5-6</td></tr>
</table>

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 19

Forward-Looking Statements and Other Terms

From time to time we have made, and in the future will make, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “believe,” “expect,” “anticipate,” “intend,” “pursue,” “seek,” “continue,” “estimate,” “project,” “outlook,” “forecast,” “potential,” “target,” “objective,” “trend,” “plan,” “goal,” “initiative,” “priorities,” or other words of comparable meaning or future-tense or conditional verbs such as “may,” “will,” “should,” “would,” or “could.” Forward-looking statements convey our expectations, intentions, or forecasts about future events, circumstances, or results.

This report, including any information incorporated by reference in this report, contains forward-looking statements. We also may make forward-looking statements in other documents that are filed or furnished with the SEC. In addition, we may make forward-looking statements orally or in writing to investors, analysts, members of the media, and others. All forward-looking statements, by their nature, are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Actual future objectives, strategies, plans, prospects, performance, conditions, and results may differ materially from those set forth in any forward-looking statement. While no list of assumptions, risks, and uncertainties could be complete, some of the factors that may cause actual results or other future events or circumstances to differ from those in forward-looking statements include:

- evolving political, business, economic, and market conditions at local, regional, national, and international levels;
- monetary, fiscal, and trade laws or policies, including as a result of actions by governmental agencies, central banks, or supranational authorities;
- the legal, regulatory, and supervisory environment, including changes in financial-services legislation, regulation, policies, or government officials or other personnel;
- our ability to address heightened scrutiny and expectations from supervisory or other governmental authorities and to timely and credibly remediate related concerns or deficiencies;
- judicial, regulatory, and administrative inquiries, examinations, investigations, proceedings, disputes, or rulings that create uncertainty for or are adverse to us or the financial-services industry;
- the outcomes of judicial, regulatory, and administrative inquiries, examinations, investigations, proceedings, or disputes to which we are or may be subject and our ability to absorb and address any damages or other remedies that are sought or awarded and any collateral consequences;
- evolving accounting standards and policies;
- the adequacy of our corporate governance, risk-management framework, compliance programs, and internal controls over financial reporting, including our ability to control lapses or deficiencies in financial reporting, to make appropriate estimates, or to effectively mitigate or manage operational risk;
- any instability or breakdown in the financial system, including as a result of the actual or perceived soundness of another financial institution or another participant in the financial system;
- disruptions and shifts in investor sentiment or behavior in the securities, capital, or other financial markets, including financial or systemic shocks and volatility or changes in market liquidity, interest or currency rates, or valuations;
- our ability to cost-effectively fund our businesses and operations, including by accessing long- and short-term funding and liquidity and by retaining and growing client deposits;
- changes in any of our credit ratings;
- our ability to manage any unexpected outflows of uninsured deposits and avoid selling investment securities or other assets at an unfavorable time or at a loss;
- negative market perceptions of our investment portfolio or its value;
- adverse publicity or other reputational harm to us, our service providers, or our senior officers;
- business and consumer sentiment, preferences, or behavior, including spending, borrowing, or saving by businesses or households;
- our ability to execute on strategic and operational plans, including simplifying our businesses, achieving cost-savings targets and lowering expense growth, accelerating franchise momentum, and improving our capital position;
- changes in our corporate and business strategies, the composition of our assets, or the way in which we fund those assets;
- our ability to successfully make and integrate acquisitions and to effect divestitures, including the ability to successfully deploy the proceeds from the sale of TIH and perform our obligations under the transition services arrangements supporting TIH in a cost-effective and efficient manner;
- our ability to develop, maintain, and market our products or services or to absorb unanticipated costs or liabilities associated with those products or services;
- our ability to innovate, to anticipate the needs of current or future clients, to successfully compete, to increase or hold market share in changing competitive environments, or to deal with pricing or other competitive pressures;
- our ability to maintain secure and functional financial, accounting, technology, data processing, or other operating systems or infrastructure, including those that safeguard personal and other sensitive information;
- our ability to appropriately underwrite loans that we originate or purchase and to otherwise manage credit risk;
- our ability to satisfactorily and profitably perform loan servicing and similar obligations;
- the credit, liquidity, or other financial condition of our clients, counterparties, service providers, or competitors;
- our ability to effectively deal with economic, business, or market slowdowns or disruptions;
- the efficacy of our methods or models in assessing business strategies or opportunities or in valuing, measuring, estimating, monitoring, or managing positions or risk;
- our ability to keep pace with changes in technology that affect us or our clients, counterparties, service providers, or competitors or to maintain rights or interests in associated intellectual property;
- our ability to attract, hire, and retain key teammates and to engage in adequate succession planning;
- the performance and availability of third-party service providers on whom we rely in delivering products and services to our clients and otherwise in conducting our business and operations;
- our ability to detect, prevent, mitigate, and otherwise manage the risk of fraud or misconduct by internal or external parties; our ability to manage and mitigate physical-security and cybersecurity risks, including denial-of-service attacks, hacking, phishing, social-engineering attacks, malware intrusion, data-corruption attempts, system breaches, identity theft, ransomware attacks, environmental conditions, and intentional acts of destruction;
- natural or other disasters, calamities, and conflicts, including terrorist events, cyber-warfare, and pandemics;
- widespread outages of operational, communication, and other systems;
- our ability to maintain appropriate corporate responsibility practices, oversight, and disclosures;
- policies and other actions of governments to manage and mitigate climate and related environmental risks, and the effects of climate change or the transition to a lower-carbon economy on our business, operations, and reputation; and
- other assumptions, risks, or uncertainties described in the Risk Factors (Item 1A), Management’s Discussion and Analysis of Financial Condition and Results of Operations (Item 7), or the Notes to the Consolidated Financial Statements (Item 8) in our Annual Report on Form 10-K or described in any of the Company’s subsequent quarterly or current reports.

Any forward-looking statement made by us or on our behalf speaks only as of the date that it was made. We do not undertake to update any forward-looking statement to reflect the impact of events, circumstances, or results that arise after the date that the statement was made, except as required by applicable securities laws. You, however, should consult further disclosures (including disclosures of a forward-looking nature) that we may make in any subsequent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, or Current Report on Form 8-K.

Unless the context otherwise requires, “sale of TIH” and similar phrases refers to the sale of our majority stake in TIH on May 6, 2024.