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William H. Rogers, Jr.
Chairman and CEO

Via Electronic Mail Transmission

September 21, 2022

The Honorable Sherrod Brown
Chairman, Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

Re: September 22, 2022 Senate Committee on Banking, Housing, and Urban Affairs (the "Committee") Hearing, "Annual Oversight of the Nation's Largest Banks"

Dear Chairman Brown:

I appreciate the invitation to appear before the Committee to talk about Truist, our purpose, the people, businesses, and communities we are privileged to serve, and our teammates.

Please see attached our written statement, including an introduction to Truist and our purpose to inspire and build better lives and communities, as well as specific answers to the questions you requested us to answer.

We respectfully submit these responses. Please do not hesitate to contact me with any questions or concerns you may have.

Sincerely,

A handwritten signature in black ink that reads "William H. Rogers, Jr." in a cursive style.

William H. Rogers, Jr.



Written Testimony

William H. Rogers, Jr.

Chairman and Chief Executive Officer

Truist Financial Corporation

United States Senate, Committee on Banking, Housing, and Urban Affairs

“Annual Oversight of the Nation’s Largest Banks”

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Chairman Brown, Ranking Member Toomey, and distinguished members of the Committee, thank you for the invitation to appear at today’s hearing. It is my privilege to represent more than 50,000 Truist¹ teammates who every day seek to live our purpose in service of our clients and communities.

Truist Overview

Truist is a purpose-driven financial services company. Truist serves approximately 15 million clients and operates several primarily regional lines of business, including: retail, small business, commercial, and premier banking; treasury solutions; and wealth. Truist also operates various national business lines, including mortgage; national consumer finance, services, and payments; insurance; corporate and investment banking; and commercial real estate. As of June 30, 2022, Truist had total assets of \$545 billion.

Headquartered in Charlotte, North Carolina, Truist maintains a strong branch network in the Southeastern and Mid-Atlantic regions of the United States, with over 2,000 bank branches in 17 states and the District of Columbia. Truist ranks among the top 3 banks in 17 of our top 20 Metropolitan Statistical Areas.²

Truist Is Purpose-driven

At Truist, we have a clear purpose to inspire and build better lives and communities. Our purpose statement intentionally begins with the words “to inspire.” We decided from the beginning, if we wanted to be a leader, we would need to be bold, be first, and be inspirational.

Consistent with our purpose, in 2019 we made a three-year commitment to drive positive change and progress in low- and moderate-income (LMI) and majority-minority communities through our \$60 billion Community Benefits Plan, where we are lending and investing to support affordable housing, nonprofits, and small businesses. Developed after eight community listening sessions and with advice and input from a Community Advisory Board that included leaders from nonprofits, Community Development Financial Institutions (CDFIs), and community

¹ Unless otherwise indicated or unless the context requires otherwise, references to “Truist,” “we,” “us,” “our,” or similar references mean Truist Financial Corporation and its subsidiaries, including Truist Bank.

² S&P Global as of October 28, 2021.

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advocates, our Community Benefits Plan is an investment in the social and financial well-being of our local communities.

Truist is pleased to advise the Committee that, through August 2022, we estimate that our combined lending, investing and philanthropic financing activities already exceed \$60 billion. Further, based on where we are today, we are highly confident that Truist will deliver on each and every one of our Community Benefit Plan commitments by the end of 2022. This includes:

- \$31 billion for home purchase mortgage loans to LMI borrowers, LMI communities, minority borrowers, and majority-minority geographies.
- \$7.8 billion for lending to small businesses and support for businesses with revenues of less than \$1 million.
- \$17.2 billion in Community Development Lending for affordable housing and small business growth lending to nonprofits that serve LMI communities.
- \$3.6 billion in Community Reinvestment Act (CRA) qualified investments and philanthropy, of which \$130 million will be designated for CRA-qualified philanthropic giving.
- Truist will open 16 new banking branches in LMI or majority-minority neighborhoods by the end of this year.
- Truist has committed to a 10 percent annual target for diverse supplier spending, which we are already significantly exceeding.

We made this commitment to our communities in 2019 and, despite the headwinds of the pandemic and economic uncertainties, through the persistent dedication of our teammates and great partnerships with community and civic leaders and organizations, we have delivered on that commitment.

More recently, we have fundamentally redesigned our deposit account experience, based on research on our clients' needs, to provide more flexibility, lower costs, and increased financial confidence. We call it "Truist One Banking" — our new, differentiated set of products, which includes two new deposit accounts with no overdraft fees and other features to accelerate our clients' journey toward purposeful growth and financial well-being.

For our teammates, we also recently increased our minimum wage to \$22 an hour for eligible teammates. This new wage will positively impact approximately 14,000 Truist teammates, including 81% of whom are in client-facing roles primarily within our retail and small business banking businesses.

Other actions evidencing our purpose in action are described in the responses below.

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Commitment to Clients, Communities, and Teammates During the Pandemic

Throughout the COVID-19 pandemic, Truist honored its purpose and engaged in extraordinary efforts to help clients face the issues and hardships caused by the pandemic. Throughout these extraordinary times, Truist served as a source of strength and resilience for our clients and the broader economy.

- Truist was the fourth-largest lender by dollars in the Paycheck Protection Program (PPP), funding approximately \$17 billion across nearly 120,000 loans to assist approximately 80,000 small business clients, and supporting over 2 million jobs.
- Our teammates worked tirelessly to get much-needed relief funding into the hands of businesses that were working hard to avoid layoffs and keep operations running.
- In March 2020, Truist launched the Truist Cares initiative, providing more than \$50 million in philanthropic support to aid charities meeting basic needs, furnishing medical supplies, and addressing financial hardships across the nation.
- Between March 2020 and December 2021, Truist provided approximately 900,000 COVID-19 related payment relief accommodations to consumers and businesses, impacting approximately \$50 billion in loan balances.

Diversity, Equity, and Inclusion

Truist has an unwavering commitment to diversity, equity, and inclusion in its workplace and across the financial system.

For Teammates

We strive to create an inclusive workplace in which every person, voice, and moment matters, and we believe our teammates must authentically reflect our communities. Furthermore, we have enhanced our existing commitments to diversity, equity, and inclusion because we know a more diverse workforce creates a better work environment and better client experiences, and builds better lives and communities.

In addition to the recently announced increase in our minimum wage to \$22 an hour for eligible teammates, other indicators of our commitment to and progress on behalf of a diverse and thriving work environment include:

- A diverse board of directors, with 43% of members from underrepresented racial, ethnic, or gender groups.
- Exceeded our goal to increase ethnically diverse representation in senior leadership roles to at least 15% — a year ahead of our original commitment.
- The first pay equity study for the combined Truist organization showed that on average the salary of women teammates is 99% of men, and the salary of racially underrepresented teammates is almost 100% of white teammates.

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- Established eight Business Resource Groups, teammate-led groups based on identity, affiliation and allyship, which are active throughout our markets and committed to advancing an inclusive culture and providing teammate programming and community engagement.
- Created the Grow, Recruit, and Accelerate Development (GRAD) program in 2021 to create more pathways for high-performing diverse leaders into senior leadership roles. Participants gain knowledge through collective and individualized experiences as well as leadership training, one-on-one career coaching, and reimbursement for obtaining graduate-level degrees if they have yet to pursue one.

For the Diverse Workforce of Tomorrow

Truist actively hires teammates from different backgrounds, cultures, identities, and experiences for positions ranging from entry-level to senior leadership. We are committed to helping individuals reach their potential in a culture that promotes sharing ideas, respecting one another, and achieving goals together. We believe that embracing our differences advances creativity, increases innovation, fosters collaboration, and makes us a more forward-thinking competitive company.

Through our dedicated recruiting programs for graduates of historically Black colleges and universities (HBCUs), Truist has been deliberate in creating opportunities to attract, retain, hire, and place diverse talent in our company and in financial services. We create and participate in career fairs, development workshops, networking events, sponsorships, and ongoing relationships with HBCUs and associated alumni groups. We believe these efforts will open doors and opportunities for diverse talent and strengthen Truist's relationships with other diverse institutions to make us an employer of choice while, at the same time, helping to position financial services as a career destination. Truist has committed to increase hiring from HBCUs to 5% of Truist's total annual hiring by 2023.

Truist is also devoting substantial philanthropic and programmatic resources to support HBCUs and employment opportunities promoting racial equity. We provided more than \$20 million to HBCU-related programs from 2020 to 2022.

For the Communities We Serve

Truist has taken broad steps since 2020 to help make our communities and the financial system more inclusive and equitable. Examples of our investments and initiatives in our communities, including our \$120 million to strengthen and support small businesses, focusing on Black, Latine and women-owned businesses, are described in further detail in the responses below.

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Focused Community Philanthropy

Truist has a range of programs and channels through which we deliver the funds and volunteer hours that maximize the positive impact of our financial and service contributions. These include the Truist Foundation, Truist Charitable Fund, Truist Leadership Institute, our Commercial Community Bank's regional giving programs, CRA, and teammate volunteerism. Through a coordinated strategy, Truist's philanthropic initiatives align with our five strategic pillars for community philanthropy:

- **Leadership:** We empower community leadership and support high-quality lifelong learning that is affordable and accessible.
- **Career pathways:** We support scalable programs that build career pathways to economic mobility.
- **Small businesses:** We help strengthen small businesses and entrepreneurial endeavors across our communities.
- **Educational equity:** We believe in the development of educational learning platforms aimed at eradicating literacy gaps and conditions of poverty.
- **Thriving communities:** We support innovative community development efforts that develop and maintain affordable housing, create healthy communities, and stimulate income equity.

Additionally, we provide support for natural disaster relief, family emergencies, and other unexpected events through our One Team Fund and teammate matching gifts. By leveraging our giving mechanisms and coordinating efforts among national partners and regional and local organizations in addition to federal and state programs, Truist maximizes the impact of every dollar with an agile and responsive mindset. Our teammates also contribute their knowledge, technical expertise, capacity-building skills, and in-kind donations.

Cumulatively, Truist and the Truist Foundation gave \$116 million in 2021 to support communities. Our giving was often paired with matching funds or leveraged alongside regional, state, and local programs to maximize the impact. We are having a profoundly positive impact on our communities consistent with our purpose to inspire and build better lives and communities.

Promoting Sustainable Solutions for Clients and Communities

We view all the elements of environmental, social, and governance (ESG) considerations as opportunities to improve our company and fulfill our purpose, and our progress has been swift and significant. During the past two years, to increase transparency and accountability, we have produced our first two ESG reports and our inaugural Task Force on Climate-related Financial Disclosures report. In those reports, we outlined our commitment to significantly reduce our emissions, while supporting and partnering with our clients in their pursuit of an array of sustainable energy sources.

In support of our purpose, we have deliberately considered sustainability and proactively made decisions to address climate change both near- and long-term. Among other public

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commitments, we announced a goal to achieve net-zero emissions by 2050. More importantly, our goal is to support our communities in this transition, building on our strong legacy of partnering closely with clients to help advance beneficial transitions.

Innovation for Clients

As the nation's seventh-largest bank, we are big enough to offer a full range of capabilities, generate meaningful capital — that can be used to drive innovation — and invest in growth. At the same time, Truist is nimble enough to leverage our heritage as a main street community bank, offering the personalized, localized experience and service that comes when decisions are made closer to the client.

Truist's value proposition — Touch + Technology = Trust, or T3, as we call it — aims to seamlessly integrate the industry-leading personal touch that we've long been known for with innovative technology, yielding our most valuable asset: the trust of our clients.

At the end of 2021, we opened our state-of-the-art Innovation & Technology Center in the heart of our Charlotte headquarters. It is a springboard for, and physical manifestation of, innovation across our entire company, one that will help us reimagine client experiences. Teammates from business units throughout Truist will partner directly with clients, innovators, digital product managers, designers, engineers, fintech firms, partner vendors, and many others to develop new ways to empower our clients.

As we look to the future, Truist is well positioned for purposeful growth for all our stakeholders. With our purpose at our core, purposeful growth means capitalizing on our vibrant markets, diverse business mix and capabilities, and outstanding teammates and their advice to produce better results and better lives for our clients.

Detailed responses to each of the topics in the Committee's request for information are provided in the pages that follow.

Responses to the Specific Committee Questions and Information Requests

- 1. Your firm's current size and complexity, its end of year capital and leverage ratios, as well as the annual dollar value of share buybacks, dividend payments, and other capital distributions by the firm for the past ten years. Please provide this data in chart form.***

Truist is a purpose-driven financial services company committed to inspiring and building better lives and communities. Truist offers a wide range of services including retail, small business and commercial banking; asset management; capital markets; commercial real estate; corporate and institutional banking; insurance; mortgage; payments; specialized lending; and wealth management. Truist is headquartered in Charlotte, North Carolina.

Truist is the parent company of Truist Bank, which was chartered in 1872 and is the oldest bank headquartered in North Carolina.

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Truist is a “Category III” banking organization, which generally includes bank holding companies with greater than \$250 billion, but less than \$700 billion, in total consolidated assets and less than \$75 billion in certain risk-related exposures. As of June 30, 2022, Truist had total assets of \$545 billion.

As a Category III banking organization, Truist is significantly smaller and less complex than the eight U.S. global systemically important bank holding companies (“GSIBs”), which operate on a larger scale, with a broader geographic scope and more complex internal operations and business lines.

Truist maintains strong capital ratios compared to the regulatory requirements for well capitalized banks. **Table 1** reflects Truist’s capital and leverage ratios as of December 31, 2021.

Table 1: Truist Capital and Leverage Ratios (as of 12/31/21)

Capital Ratios	
Risk-Based	
Common Equity Tier 1	9.6%
Tier 1	11.3%
Total	13.2%
Leverage	8.7%
Supplementary Leverage	7.4%

During the second quarter of 2022, Truist declared common dividends of \$0.48 per share and repurchased \$250 million of common stock. The dividend and total payout ratios for the second quarter of 2022 were 44% and 61%, respectively. Truist increased its quarterly dividend on its common stock by 8% to \$0.52 beginning in the third quarter of 2022.

Truist recently completed the 2022 Comprehensive Capital Analysis and Review process and received the preliminary stress capital buffer requirement of 2.5% for the period October 1, 2022, to September 30, 2023, the lowest possible stress buffer, reflecting Truist’s prudent risk management and sound financial performance under stressful conditions. According to the Federal Reserve’s rigorous “severely adverse” stress test, Truist had the second lowest deterioration under the Federal Reserve’s hypothetical scenario for its capital position and loan losses compared to peer banks. Relative to its conservative risk profile, Truist maintains a very strong capital position.

The annual dollar value of Truist’s share buybacks, dividend payments, and other capital distributions by the firm for the past ten years is reflected in **Table 2**.³ More information about Truist is available in its 2021 Annual Report on Form 10-K.

³ Information from prior to December 6, 2019, the effective date of Truist’s merger, reflects the combined capital actions of heritage BB&T and SunTrust.

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Table 2: Truist Historical Capital Actions, 2012-2021 (in \$ millions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Dividends	\$ 741	\$ 989	\$ 1,242	\$ 1,476	\$ 1,656	\$ 1,907	\$ 2,311	\$ 2,229	\$ 2,725	\$ 2,852
Common Repurchases	-	150	458	679	1,326	2,927	3,115	250	-	1,616
Preferred Repurchases	-	-	-	-	-	-	450	1,725	500	1,415
Total	\$ 741	\$ 1,139	\$ 1,700	\$ 2,155	\$ 2,982	\$ 4,834	\$ 5,876	\$ 4,204	\$ 3,225	\$ 5,883

2. The number and location of your full-service bank branches, a map of such locations, and the number of branches closed annually over the past ten years.

Over the last 10 years, Truist has increased its branch footprint, organically and through mergers and acquisitions. As of June 30, 2022, Truist operates 2,087 full-service branches in 17 states and the District of Columbia, primarily concentrated in the Southeastern and Mid-Atlantic United States. **Table 3** shows Truist's branch footprint by state. A map of these branches is included as an Appendix.

Table 3: Truist Full-Service Branch Count by State (as of 6/30/2022)

State	Branch Count
Alabama	58
Arkansas	1
District of Columbia	24
Florida	458
Georgia	222
Indiana	1
Kentucky	62
Maryland	153
Mississippi	3
North Carolina	292
New Jersey	23
Ohio	2
Pennsylvania	152
South Carolina	98
Tennessee	104
Texas	102
Virginia	286
West Virginia	46
Total	2,087⁴

Truist continually reevaluates its branch network to ensure it meets the needs of its clients. Over the past ten years, Truist closed an average of 193 branches annually. Many of these closures occurred following the merger of BB&T and SunTrust, because the two heritage banks,

⁴ Excludes 34 limited service facilities.

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in many instances, maintained separate branches in the same neighborhoods and even on the same street corners. These closure plans were reviewed as part of the merger approval process and had virtually no long-term impact on branch availability or convenience for clients.

A central component of Truist's \$60 billion Community Benefits Plan was a commitment to open at least 15 new branches in LMI and/or majority-minority neighborhoods across Truist's footprint by the end of 2022. Truist is on track to exceed this commitment, opening 16 branches in LMI or majority-minority communities. Since the completion of the merger, Truist has increased the percentage of LMI branches as a share of its overall branch network.

Beyond supporting communities through its extensive branch network, Truist also maintains digital capabilities to meet the rapidly evolving preferences and needs of both its consumer and commercial clients. Digital banking has become a cornerstone of the Truist-client relationship as clients increasingly prefer to conduct commerce digitally. As of the second quarter of 2022, there are 4.3 million users of the Truist mobile banking application, a 13% increase from 2020, reflecting clients' continued adoption of a mobile-first pattern of engagement. Additionally, the number of Truist deposit and lending accounts and mortgages opened through digital applications surged 39% from the first quarter to the second quarter of 2022. Truist's clients completed a total of 63 million digital transactions in the second quarter of 2022 alone. For the second consecutive quarter, digital transactions represented 44% of all transactions year-to-date across digital, ATM, branch, and contact center channels.

3. *Your firm's fee structure for its deposit and credit products, your bank's annual amount of fee income over the past ten years, and any changes made since May 2021 to reduce or eliminate fees.*

Truist offers personal and commercial deposit products designed to meet client needs and financial resources, and has engaged in efforts to further assist clients. Putting its purpose in action, Truist refunded \$90 million in fees to help clients face the issues and hardships caused by the pandemic. Truist also provided refunds for overdraft and related fees, upon request, from March 2020 through December 31, 2020. This included fees beyond returned item and overdraft protection fees.

Truist's Efforts Since May 2021 to Reduce and Eliminate Fees

Since 2021, Truist has introduced new products with no overdraft fees, eliminated key overdraft fees associated with existing products, and implemented transactional enhancements, which further helped clients avoid fees.

Introduction of Truist One Banking Products with no Overdraft Fees

On January 18, 2022, Truist announced Truist One Banking, a new, differentiated set of products to redefine everyday banking and accelerate clients' journey toward purposeful growth and financial well-being — all with no overdraft fees. Truist tapped into design thinking, market research, data on usage patterns, and client feedback to assemble a cross-discipline team charged with redefining what a checking account could and should be to create a better banking experience.

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As part of Truist One Banking, on July 18, 2022, Truist introduced two new deposit accounts with no overdraft fees.

The new **Truist One Checking** is Truist's flagship checking offering that eliminates overdraft and overdraft-related fees, such as overdraft protection transfer fees, negative account balance fees, and returned item fees. Truist One also includes an industry-leading \$100 negative balance buffer, which allows qualifying clients to overdraw their accounts up to \$100 at no cost in the event additional funds are needed to approve or pay a transaction presented against insufficient funds. Truist One also includes an easily accessible deposit-based line of credit — up to \$750 — which doesn't rely on traditional credit scores to qualify and can be paid back over several months, and will be available to Truist's clients in the coming months. Truist One Checking has a monthly maintenance fee that Truist waives for clients engaging in a minimal level of monthly account activity.

In addition, Truist offers the **Truist Confidence Account**, an alternative account created for clients who want simplicity and control without overdraft fees. This new product will add to Truist's existing "Bank On" certified demand deposit products and will help more clients access mainstream banking, allow them to avoid high fees from check-cashing services and payday lenders, and create a pathway to upgrade to Truist One. The Truist Confidence Account also has no overdraft fees. The Truist Confidence Account has a modest monthly maintenance fee that is waived for clients engaging in a minimal amount of monthly account activity.

Truist estimates Truist One Banking will result in total client savings of approximately \$200 million annually by 2024. Truist currently has no actively-sold personal checking accounts that charge overdraft fees, and will move clients into Truist One Checking upon request. Truist is engaging in proactive outreach, sending more than 500,000 pieces of mail to clients who overdraft on a frequent basis, explaining Truist One Checking and inviting them to upgrade their checking accounts at no cost and without changing their checking account number if they find Truist One Checking suitable to their circumstances. Truist is incurring the cost to reach out to these clients so they can better understand how they can avoid overdraft fees. Truist is doing this because it aligns with Truist's purpose and focus on client well-being.

Elimination of Fees on Existing Accounts

In addition to these new Truist One Banking deposit account offerings, Truist took action to benefit existing deposit account clients. As of April 25, 2022, Truist eliminated several fees on existing deposit accounts, including:

- Returned item fees.
- Overdraft protection transfer fees.
- Negative account balance fees.

Implementation of Transactional Enhancements to Help Clients Avoid Fees

Truist also reduced the number of potential overdraft fees that can be incurred daily from six to three. These changes saved Truist clients approximately \$30 million in the second quarter of 2022 alone and are expected to deliver \$100 million in client savings annually by 2024. In

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October 2021, Truist began waiving overdraft fees for all clients on transactions that are less than \$5. This change is expected to save clients approximately \$15 million annually.

Through these combined efforts, Truist's revenue generated from overdraft and returned item fees declined by approximately 30% from 2019 to 2021.

Deposit Fee Structures

Information regarding fees on Truist deposit products can be found in Truist's Personal Deposit Accounts Fee Schedule.⁵ **Table 4** reflects Truist's fee income on consumer deposit products for the period from 2012 to 2021.⁶

Table 4: Truist Annual Fee Income on Consumer Deposits, 2012-2021 (in \$ millions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Deposit Fee Income	\$ 1,243	\$ 1,242	\$ 1,279	\$ 749	\$ 801	\$ 792	\$ 795	\$ 775	\$ 568	\$ 573

Credit Fee Structures

Truist also offers a variety of credit products with various fee structures to serve the diverse needs of its clients. Truist credit offerings range from zero-fee, unsecured consumer loan products, to credit cards with industry standard fee structures consistent with safe harbor provisions established under the Truth in Lending Act and its implementing regulations, Regulation Z, to consumer mortgage products, which typically include various fees referred to as closing costs. Mortgage loan fees are heavily regulated and subject to limitations imposed under Regulation Z's provisions for qualified mortgages and high-cost loans. For other types of credit products, Truist offers various opportunities to minimize fees through client relationships with the bank.

Credit-related fees are generally classified as retained, where the revenue is retained by Truist, or pass-through, which are fees paid to third parties who independently set the cost of their services. Third-party fees typically relate to services required to be obtained in connection with the credit transaction under various statutes or regulations, such as regulatory principles for safety and soundness or ability to repay regulations, which require obtaining a consumer's credit report, or requirements to obtain appraisals or valuations on residential real estate credit transactions. Consumer residential mortgages have additional services required by investors, such as Fannie Mae and Freddie Mac, or insurers such as the Federal Housing Administration (FHA) and the U.S. Department of Veterans Affairs (VA), and include pass-through fees for services such as inspections and surveys, as well as title insurance.

Truist does not charge so-called convenience fees in connection with making payments on loans, whether the payment is made by check, phone, digitally, or ACH. Servicing fees on

⁵ Personal Deposit Accounts Fee Schedule, *available at* <https://www.truist.com/content/dam/truist-bank/us/en/documents/rates-fees/personal/truist-personal-deposit-accounts-fee-schedule.pdf>.

⁶ Data reported is derived from Truist, BB&T, and SunTrust call reports. BB&T and SunTrust had different fee structures and Truist fee structures may have changed over time, such that the annual fee income totals from one year to the next do not represent identical fee types or fee amounts.

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credit products are either contracted for in the loan agreements, such as late fees, or are otherwise disclosed to clients before they agree to a particular service, such as when requesting expedited documents.

When it comes to income derived from fees, many fees in connection with credit products are classified as interest under Generally Accepted Accounting Principles (GAAP), depending on whether the loan is retained or sold and whether the fee is immediately realized as income or amortized over the life of the loan. As such, whether a loan is sold or retained by Truist has an impact on the classification as a fee or interest of certain charges. Truist does not separately track or report fee income as a standalone item in its financial statements, but rather it can be found in both interest and non-interest income categories.

4. *Your firm's small business lending portfolio, including a breakdown of products and services to small business owners by product type (e.g., SBA loans, credit cards), size (number of employees), and demographics (geographic location and minority status).*

Truist recognizes that small businesses are the backbone of the economy. Truist has created numerous products designed specifically for small nonprofits and microbusinesses to make banking services more affordable and accessible.

Through the years-long COVID-19 pandemic, Truist has been a stalwart partner to small businesses, especially those owned by women, immigrants, and people of color. Truist was the fourth-largest overall PPP lender by dollars for the entire Small Business Administration PPP program from 2020 through 2021, providing approximately \$17 billion across nearly 120,000 loans, all while maintaining its other commitments to supporting communities where they need it the most. Roughly 75% of Truist's PPP loans were in amounts at or less than \$100,000, assisting approximately 80,000 small business clients. Truist supported the smallest of small businesses — approximately 96% of Truist PPP loans went to businesses with less than 100 employees.

Following Congress' renewal of the PPP program and its direction to lenders to focus on LMI communities and businesses, Truist developed proactive outreach programs and enhanced loan processing protocols for businesses in LMI communities, resulting in 34% of PPP loans in the second round of funding going to small businesses in such communities. In addition, approximately 30% of Truist's PPP loans supported critical businesses and employees vulnerable to the impacts of the pandemic, such as construction, manufacturing, healthcare, and agricultural businesses. Overall, Truist's PPP lending supported over 2 million jobs.

Outside of its PPP lending, Truist continued to meet the needs of its communities during difficult times. During 2021, Truist provided more than \$26 billion in commercial loans to small and middle-market businesses. In 2019, shortly before the start of the pandemic, Truist announced a Community Benefits Plan which included a three-year commitment of \$7.8 billion for lending to small businesses and to support the growth of businesses with revenues less than \$1 million. Truist honored this commitment and, as of May 31, 2022, Truist has delivered \$7 billion of that amount. Additionally, in June 2022, Truist committed \$120 million to strengthen and support small businesses, prioritizing Black, Latine, and women-owned businesses.

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Small Business Lending Portfolio

As of March 31, 2022, Truist's small business lending portfolio was \$10.637 billion, as defined by Federal Financial Institutions Examination Council (FFIEC) call report criteria. **Tables 5(a)** through **5(c)** provide a breakdown of the portfolio by product type, state, and census tract (low-to-moderate income and majority-minority). Truist does not capture race or ethnicity as part of small business lending applications, and Truist does not capture number of employees as part of most small business lending applications.

Table 5(a): Truist Small Business Lending by Product Type (in \$ millions)

	Amount Outstanding	Loan Count
Loan secured by real estate	\$ 3,886	17,868
Loan not secured by real estate	3,601	191,534
SBA loan (all types)	968	13,044
Credit Card	699	112,855
Line of Credit not secured by real estate	792	47,913
Line of Credit secured by real estate	101	2,250
Not categorized	590	2,533
Total	\$ 10,637	387,997

Table 5(b): Truist Small Business Lending by State (in \$ millions)

	Amount Outstanding	Loan Count
North Carolina	\$ 1,879	61,909
Florida	1,708	56,170
Georgia	1,005	28,608
Virginia	976	36,660
Pennsylvania	732	21,858
Texas	624	22,006
Maryland	586	18,532
South Carolina	413	16,152
Tennessee	253	9,631
Kentucky	242	8,617
New Jersey	215	8,436
New York	183	8,941
Alabama	180	6,472
West Virginia	169	6,153
California	148	8,194
Ohio	100	6,158
Louisiana	63	3,993
District of Columbia	61	1,675
Illinois	57	3,742
Other States (<\$50MM each)	589	45,656
Not categorized	455	8,434
Total	\$ 10,637	387,997

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Table 5(c): Truist Small Business Lending by Census Tract Designation (in \$ millions)

	Amount Outstanding	Loan Count
Low-to-Moderate Income (LMI)*	\$ 2,298	83,024
Majority-Minority (MM)	2,940	99,884
Neither LMI nor MM	5,921	232,082
Not categorized	931	21,890
Total	\$ 10,637	387,997

*LMI and MM census tracts are not mutually exclusive.

5. *Your firm’s housing-related business, including any consumer mortgage products offered, correspondent lending relationships, servicing performed, the demographics of borrowers who received and were denied for mortgage loans, and your firm’s financing of or investments in rental housing and housing affordability.*

Truist’s housing-related business tangibly demonstrates how it fulfills its purpose. Mortgage and Truist Community Capital are two housing-related business lines critical to how Truist builds better lives and communities.

Mortgage

Truist supports first-time homebuyers, with a focus on underserved LMI and rural areas. Truist raises awareness and penetration of affordable mortgage products and programs such as mortgage grants and down payment assistance and has developed partnerships with builders of affordable housing to provide credit to LMI borrowers.

A centerpiece of Truist’s mortgage business is the three-year commitment in Truist’s Community Benefits Plan to make \$31.9 billion in mortgage loans to LMI borrowers, LMI communities, to racially and ethnically diverse borrowers, and in majority-minority geographies. Based on its latest results, Truist has delivered on this commitment, funding \$33 billion in home purchase mortgage loans across these client and community categories. In addition, from 2020 through the second quarter of 2022, Truist provided more than \$17 million in Truist Mortgage Grant Funds for down payment assistance to over 2,700 LMI clients.

Truist partners with 29 non-profit organizations — such as HomeFree-USA in Maryland and the Urban League of Greater Atlanta — to deliver first-time homebuyer education seminars and to educate consumers on financial solutions that assist with closing costs and down payments. These virtual and in-person seminars further educate consumers about mortgage assistance programs and foreclosure avoidance. Truist also partners with five national trade associations and their local chapters, namely, the National Association of Minority Mortgage Bankers of America, National Association of Real Estate Brokers, National Association of Hispanic Real Estate Professionals, Asian Real Estate Association of America and the LGBTQ+ Real Estate Alliance. Through these partnerships, Truist sponsors and participates in financial education and homebuyer education to expand access to credit for LMI clients in LMI geographies.

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Looking ahead, Truist is a signatory to the Mortgage Bankers Association “Home For All Pledge”. This pledge reinforces Truist’s commitment to create and foster equity and inclusion in housing, including working through established relationships with HomeFree-USA and the National Association of Minority Mortgage Bankers to expand opportunities to minorities in the communities Truist serves.

Products

Truist’s residential mortgage lending business offers conventional (non-government), VA, FHA and U.S. Department of Agriculture Rural Development (Rural Housing) mortgage products that are sold to or insured with Freddie Mac, Fannie Mae, FHA, VA, Rural Housing, and Ginnie Mae, and conventional loans that it holds in its own portfolio. In the two-year period from 2020 to 2021, Truist’s mortgage business originated 136,632 residential loans totaling \$45.26 billion. Most of those loans were conventional mortgages and 58% were refinances. In 2020 and 2021, Truist helped 24,233 minority borrowers refinance or purchase a home. For 2021, the most recent full year for which information is available, approximately 60% of mortgage loans were made for the purpose of refinancing, while approximately 39% were for home purchase. With the sharp rise in interest rates in 2022, Truist expects this year’s percentages to change materially.

Correspondent Lending Relationships

Truist’s correspondent lending channel acquires loans from a number of fully vetted correspondent lenders. Truist Correspondent Lending proactively manages the banks, independent mortgage companies, and other correspondent lenders, performing periodic reviews of origination quality and compliance adherence. By providing competitive pricing for loans in LMI geographies, Truist uses these correspondent lending relationships to deepen its service to these geographies and households.

Mortgage Servicing

Along with the origination and acquisition of loan functions, Truist services approximately 1.2 million mortgage loan accounts as of year-end 2021. Less than 3% of the accounts Truist services experienced delinquency during this period, and more than half of these past-due accounts were active in one of Truist’s loss mitigation programs focused on preserving homeownership.

Mortgage Loan Distribution

Truist strives to ensure that its mortgage lending programs are marketed and available to all interested applicants on a fair and equitable basis. As discussed above, Truist offers a comprehensive suite of mortgage products, including products aimed at LMI borrowers featuring down-payment assistance, low down-payment requirements and other qualifying terms designed to promote long-term equity growth for households with a sustainable payment. With respect to approval and denial rates for mortgage loan applicants based upon demographic information obtained on the primary borrower, based on 2021 Home Mortgage Disclosure Act (HMDA) data, Truist originated the following percentages of total loan applications per category: identifying white, 69%; identifying Asian, 67%; identifying Black/African American, 57%;

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identifying Native American, 58%; and, identifying Hispanic, 57%. Based on the same data, Truist denied the following percentages of total loan applications per category: identifying white, 12%; identifying Asian, 12%; identifying Black/African American, 19%; identifying Native American, 17%; and, identifying Hispanic, 19%. Total loan application categories under HMDA also include applications withdrawn by the client and files closed for incompleteness. It should also be noted that approximately 20% of loan applicants declined to provide demographic information.

Home Equity Lending

Truist also offers home equity loans and lines of credit (HELOCs), allowing clients a flexible way to obtain a source of liquidity based on their home equity. In 2020 and 2021, Truist originated a combined total of \$10.35 billion in home equity loan volume, providing financing to 86,472 borrowers. In 2020 and 2021, Truist helped 11,673 minority borrowers obtain a HELOC.

Support for Rental Housing and Housing Affordability through Truist Community Capital

Truist is an extraordinary supporter of affordable rental housing in the markets it serves. Truist Community Capital, a division of Truist's commercial real estate business, is a community- and client-focused business that provides investments and loans to urban and rural communities to support affordable housing, job creation, and revitalization. Today, Truist Community Capital has a portfolio of more than \$4 billion in equity investments in affordable housing. In 2021 alone, Truist Community Capital invested more than \$1 billion in low-income housing tax credits, New Markets Tax Credits (NMTCs) and other community development funding, which created 3,658 jobs for residents of LMI communities, more than 19,000 affordable housing units, and served more than 115,000 LMI community members.

Through Truist Community Capital, Truist has created community development fund loans and investments, committing more than \$200 million in financing at below-market rates of return, partnering with more than two dozen flagship CDFIs and community-based funds. Truist's partners in creating and maintaining affordable single-family and multi-family housing include the following CDFIs and government-sponsored funds:

- Durham Affordable Housing Fund
- Nashville Housing Fund
- Charlotte Housing Opportunity Fund
- Florida Minority Community Reinvestment Coalition
- Baltimore Community Loan Fund
- National Community Reinvestment Coalition Housing Rehab Fund
- Mercy Housing, Inc.
- Reinvestment Fund (Pennsylvania)
- Fahe (Rural Appalachia/Kentucky)
- Washington Housing Initiative

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- Housing Impact Fund
- Atlanta Affordable Housing Fund
- Center Creek Housing Fund III
- Wake County Affordable Housing Preservation Fund

6. *Your firm's actions to proactively protect consumer data privacy, beyond Gramm-Leach-Bliley Act requirements, including samples of your firm's initial and annual privacy notices, the number and percentage of customers that opt-out of sharing their nonpublic personal information with third parties, and the types of entities with which your share or sell customer data and information.*

Truist's focus on cybersecurity and data privacy aligns with the high priority its stakeholders place on this. Caring for its clients and protecting their assets are key priorities for Truist. Truist makes significant investments in technology and expertise and conducts ongoing training and awareness engagement at every level.

Truist is involved in organizations devoted to information security, privacy, cyber intelligence, financial market stability, fraud, resiliency, data aggregation, secure funds transfer, and cyber investigations. Truist also engages with the American Bankers Association, Bank Policy Institute, Financial Data Exchange, Financial Services – Information Sharing & Analysis Center, Financial Services Sector Coordinating Council, the International Association of Privacy Professionals, and the Future of Privacy Forum to stay abreast of industry changes in data privacy. Many Truist teammates in the cyber and privacy fields hold industry certifications and serve in leadership roles in these organizations.

Various federal and state laws and regulations contain extensive data privacy and cybersecurity provisions, and the regulatory framework for data privacy and cybersecurity is rapidly evolving. The Federal Reserve, Federal Deposit Insurance Corporation (FDIC), and other bank regulatory agencies have adopted guidelines for safeguarding confidential, personal customer information. These guidelines require each financial institution — under the supervision and ongoing oversight of its board of directors or an appropriate committee thereof — to create, implement, and maintain a comprehensive written information security program.

Truist's Information Security Program utilizes a comprehensive Information Security Framework of people, processes, and technology to identify, measure, monitor, assess, manage, and report cybersecurity risk across the enterprise. The Information Security Framework aligns with the National Institute of Standards and Technology Cybersecurity Framework, using business drivers to guide cybersecurity activities and considers cybersecurity risk as part of Truist's risk management processes. Truist's approach to cybersecurity includes a Third-Party Risk Management function which identifies, assesses, controls, and reports on technology and cybersecurity risks associated with the use of third parties to deliver products and services to Truist.

Truist has implemented multiple layers of controls, using "defense in depth" to safeguard client accounts. The bank's data protection services provide capabilities to identify, classify, and tag sensitive consumer data for protection against data breach, improper access, usage, and

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dissemination. These capabilities ensure processes are in place to satisfy applicable legal and regulatory requirements, and to safeguard client data. Truist also monitors its critical systems and data on an ongoing basis, including proactively monitoring cybercriminals and their capabilities.

Truist conducts training and awareness engagement, including a focus on new or emerging cybersecurity risks and threats, new or updated policies and standards, and security protection actions that teammates are expected to undertake. To help keep client accounts safe and secure, Truist provides clients with security awareness and information through its websites and other communication channels. Topics include mobile security, phishing, online security best practices, identity theft, and fraud protection.

Truist has also taken certain measures to further protect the data privacy of its clients, including:

- Extending the rights available to clients in California under the California Consumer Privacy Act to all consumers, such that all consumers may submit a data access request to Truist regardless of where they live.
- Providing ongoing credit monitoring and identity theft protection services to all Truist clients free of charge via Experian CreditCenter. This service includes identity restoration, lost wallet services, and child monitoring.

Information on Truist's privacy practices (including the types of information Truist collects, for what purposes it is used, how it is shared and/or retained, and a description of privacy rights available to all consumers and how such rights may be exercised) is available at truist.com/privacy.

Per its "No Sale Policy," Truist does not sell nonpublic personal information to third parties for their marketing purposes and as such does not track the number and percentage of customers who opt out of sharing their nonpublic personal information with third parties for their marketing purposes. Truist shares nonpublic personal information with its affiliates, with approximately 12% of its client base opting out of affiliate sharing for marketing or creditworthiness purposes. Truist also shares certain consumer personal data with joint marketing partners or bill pay partners, service providers, credit reporting agencies, government entities, and other third parties as needed for legal or similar purposes. For more information, please refer to the Truist privacy policy.⁷

⁷ Available at <https://www.truist.com/content/dam/truist-bank/us/en/documents/footer/privacy-policy-truist-english.pdf>.

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7. *The minimum wage paid to employees and the ratio of this pay to your CEO's total compensation (salary and all deferred compensation), your firm's use of contractors – detailing both the total numbers and functions filled, your firm's position on employee bargaining rights, and an assessment of your firm's efforts to alter practices that contribute to systemic racism and inequality within your workforce.*

Compensation Philosophy

Truist is committed to creating an inclusive and energizing environment, which empowers teammates to learn, grow, and have meaningful careers. Truist strives to competitively compensate teammates for the tremendous work they do for its clients and stakeholders. Truist takes a Total Rewards approach, including offering highly-competitive wages, a robust wellness program, comprehensive benefits, and an industry-leading 401(k) and defined benefit pension plan. The Total Rewards goes beyond compensation and prioritizes wellness to help teammates stay healthy at all stages of their lives and career journeys.

Truist is among a small number of employers that still offer and fund a defined benefit pension plan for eligible teammates. The Truist Financial Corporation Pension Plan rewards teammates for their time with Truist and helps them accumulate income to supplement retirement.

Recently, Truist announced that, effective October 1, 2022, it will raise its minimum U.S. hourly pay rate to \$22 for eligible teammates. Previously, Truist's minimum wage ranged from \$15-\$18 per hour, based on geography. The new wage will positively impact approximately 14,000 Truist teammates, including 81% in client-facing roles primarily within its retail and small business banking businesses. This increase is Truist's latest investment in key talent across the organization and positions Truist among the highest in the industry for minimum wage as part of a comprehensive Total Rewards program for its teammates. Truist has also enhanced teammate benefits related to student loans, healthcare, and vacation carryover.

Truist values the well-being of employees and provides comprehensive health care benefits for medical, dental, vision, reproductive health, mental health, family and medical leave, life insurance, disability insurance, and other benefits. For teammates who make less than \$50,000 per year, Truist provides subsidies for insurance premiums.

Truist strives to provide equal access to health care, including comprehensive family planning and reproductive coverage for teammates under its health plan. Truist provides certain additional reproductive health benefits to eligible teammates. Coverage under Truist's health plan includes coverage for medical care that is not available within a 100-mile radius of the teammate's location, including organ transplants, cancer care, family planning and reproductive care, mental wellness, and other various services for teammates and their covered dependents.

Please see [Benefits.Truist.com](https://www.truist.com/benefits) and Truist's 2021 ESG and CSR Report for additional information.

Truist policies recognize and support employee rights under the National Labor Relations Act.

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Truist's Commitment to Equity and Inclusion

Truist actively hires teammates from different backgrounds, cultures, identities, and experiences for positions ranging from entry-level to senior leadership. Truist is committed to helping individuals reach their potential in a culture that promotes sharing ideas, respecting one another, and achieving goals together. Truist believes that embracing teammate differences advances creativity, increases innovation, fosters collaboration, and makes Truist a more forward-thinking competitive company.

Truist has dedicated resources focusing on increasing the representation of diverse teammates in key positions across the organization, and has plans and programs in place to further grow and develop its leadership pipeline for greater representation of gender, ethnic, generational, veteran, and LGBTQ+ diversity.

Truist has established practices to drive equity in its performance ratings and assessments and analyzes multiple factors in talent review data to help ensure equitable outcomes that lead to a fair and inclusive workplace. In 2021, the first annual pay equity review completed by the combined Truist organization showed that on average the salary of women teammates is 99% of men, and the salary of racially underrepresented teammates is almost 100% of white teammates. Truist identified less than 1% of its teammates who were earning less than expected when compared to peers, and adjusted their compensation immediately. Truist will strive to achieve and maintain pay equity.

Truist seeks to create an inclusive and equitable place to work for all employees and contractors, and since 2020 has held itself publicly accountable on hiring, promotion, and recruiting by publishing EEO-1 data and setting goals for diverse leadership. Truist is a signatory of the CEO Action for Diversity & Inclusion pledge and the Hispanic Promise, and is a member of the Business Coalition for Equality Act.

Truist strives to maintain a diverse board of directors and senior leadership. Forty-three percent of Truist's board members are from underrepresented racial, ethnic, or gender groups. More specifically, women and African American directors make up approximately 35% and 20%, respectively, of Truist's board of directors, which exceeds the average for companies in the S&P 500. In addition, in 2021, Truist achieved 15.1% ethnically diverse representation in senior leadership roles, exceeding its goal of 15% and reaching this milestone a year ahead of its original commitment. Truist also filled 54% of early career program seats with underrepresented candidates.

To create more pathways for high-performing diverse leaders to transition into senior leadership roles, Truist created the GRAD program. Participants gain knowledge through collective and individualized experiences as well as leadership training, one-on-one career coaching, and reimbursement for obtaining graduate-level degrees if they have yet to pursue one. More than 80% of selected participants in the GRAD program identify as ethnically or racially diverse and more than 50% identify as female.

Truist provides diversity, equity, and inclusion training for employees, which includes Unconscious Bias, Code of Ethics, Preventing Workplace Harassment for Employees,

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Workplace Violence Prevention for Truist Teammates, and the Americans with Disabilities Act. Beginning in 2021, Truist required Foundations of DEI training for all teammates.

Truist also offers eight Business Resource Groups (BRGs), which are teammate-led groups with executive leaders as sponsors created to drive diverse recruiting; leadership development; community volunteerism; new business and supplier referrals; and physical, financial and mental well-being. Truist leverages the BRGs to help Truist and its teammates understand the perspectives of its diverse communities and clients. Many activities are sponsored by more than one BRG, gaining the power of intersectionality and amplifying progress — such as women veterans, or LGBTQ+ African American/Black teammates. Truist compensates teammates for time spent participating in company sponsored BRG events and activities during work hours, and managers offer flexibility so teammates can attend.

Focus on HBCUs

HBCUs consistently graduate high-performing students in the fields of business, technology, finance, law, and medicine. Through its dedicated university and HBCU alumni recruiting programs, Truist has created deliberate opportunities to attract, retain, hire, and place the best talent in the firm.

Among other things, Truist has:

- Committed to increase hiring from HBCUs to 5% by 2023.
- Pledged more than \$20 million from 2020 through 2022 to programs supporting HBCUs, including:
 - \$9.5 million direct to HBCUs, including Morehouse School of Medicine and Meharry Medical College.
 - \$3 million to the Congressional Black Caucus Foundation.
 - \$2.5 million in HBCU signature events.
 - \$2.3 million to fund recruiting students.
 - \$1.71 million in supporting sponsorships for HBCU-oriented sporting events.
 - \$1 million commitment over five years to the Henry Louis Aaron Fund.
- Partnered with 26 HBCUs for the Emerging Leaders certification program.
- Hosted the HBCU Entrepreneurship Conference with Bowie State University and ESPN Events to sponsor the annual Mid-Eastern Athletic Conference/Southwestern Athletic Conference football kickoff.
- Awarded scholarships to 10 deserving HBCU students at the Diversity in Tech summit.

In November 2021, Truist partnered with the Thurgood Marshall College Fund, the largest organization representing the Black college community, on a new scholarship program to meet the needs of students at HBCUs and those from underserved communities. A \$3 million grant will establish a Truist scholarship program, providing \$1 million a year over the next three years to HBCU students in Truist markets and financial support to complete college.

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Executive Compensation

All compensation for executives at Truist is overseen by a fully independent Compensation and Human Capital Committee of the Board of Directors. Truist's executive compensation program incorporates strong pay and governance practices that reinforce Truist's principles, support sound risk management, and align with the firm's shareholders. Among other things, Truist uses an executive risk scorecard, which the Compensation and Human Capital Committee may use to reduce incentive compensation for negative risk outcomes.

Incentive compensation for Truist's executive leadership is governed by shareholder-approved incentive plans which include clawback provisions designed to discourage imprudent risk-taking.

In accordance with SEC rules, Truist discloses the ratio of the annual total compensation of its CEO to the median teammate's annual total compensation. For 2021, the ratio of the annual total compensation of Truist's CEO (as calculated under applicable SEC rules) for 2021 to the median teammate was 153 to 1. Using a similar method, the ratio of the annual total compensation of Truist's C-Suite executives to the median teammate was 65 to 1 for 2021.

With respect to the requested ratio of the CEO's compensation compared to the compensation of a teammate earning the Truist minimum wage, please be advised this is not a ratio required in Truist's periodic disclosures. Also, as noted above, effective October 1, 2022, Truist will be raising the minimum hourly wage to \$22. As a result, Truist has prepared the requested ratio estimating the annual total compensation of a teammate who works forty hours per week at minimum wage as earning \$22 and to include the value of certain benefits, such as 401(k) matching, as well as pension, life, medical, and disability benefits. This results in an estimated total compensation of approximately \$64,106. Using these estimates results in a ratio of the annual total compensation of Truist's CEO to this estimated total compensation of 228 to 1.

For more information about Truist's executive compensation, please refer to Truist's 2022 Proxy Statement.⁸

Use of Contractors

Truist seeks to meet its strategic objectives by hiring and developing its own teammates to perform work central to its core businesses. From time to time, Truist may use contingent workers for purposes such as: providing specialized services which can be performed more effectively by a supplier with expertise; temporarily augmenting Truist's teammate workforce to meet specific, limited need(s) where resource requirements fluctuate; providing a source of highly skilled resources to meet the demands of new projects or business ventures; or supporting processes and/or functions considered "non-core" to supporting Truist's strategic objectives.

Under Truist policy, the utilization of contingent workers is predominantly intended to fulfill a short-term commodity role or business function, or to provide temporary coverage of a skillset that cannot reasonably be addressed by a Truist teammate. Truist policy generally limits

⁸ Available at https://filecache.investorroom.com/mr5ir_truist/577/Truist 2022 Annual Meeting Notice and Proxy Statement.pdf.

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entering independent contractor arrangements with individuals. Truist's contingent workers are typically employed and compensated by a third-party supplier, which determines the workers' pay and benefits.

As of July 2022, Truist has a total contingent workforce of 19,339, including temporary workers augmenting staffing needs given the critical imbalance in qualified employees relative to demand, and certain third-party provided contractors executing technology or back-office functions.

Contract workers are not covered under Truist's benefit programs.

Supplier Diversity

Truist is committed to diversity, equity, and inclusion for teammates and suppliers.

Truist's supplier diversity program works with qualified and innovative diverse businesses to create value-added supplier partnerships that enhance client experience, strengthen operations, and enrich their communities through economic advancement. Truist's supplier diversity impact is most often seen in the form of strengthening local businesses, job creation, and improving wage security. Truist incorporates standards into its sourcing and procurement practices such as ensuring a diverse slate of suppliers are invited to compete for Truist's goods and services. Truist now achieves more than 17% of its sourceable spend with certified diverse suppliers as of the first half of 2022, which exceeds its three-year goal. Truist also reached 31.3% "RFx" inclusion in 2021, ahead of its goal of 30% in the second year of Truist's Community Benefits Plan. Refer to Truist's 2021 Annual Report for more information.

Truist's Tier2 program further enhances the value that diverse suppliers can bring to its supply chain when direct sourcing with these vendors is not an option. Truist strongly encourages its strategic suppliers to subcontract with qualified, certified diverse suppliers in the performance of their primary contractual obligations. Annually, Truist hosts its Tier2 Supplier Diversity Business Summit, where it invites diverse businesses to network with its strategic suppliers for business opportunities.

8. *An assessment of your firm's efforts to accelerate the transition to a low-carbon economy, by reduction in investment and funding of carbon-intensive industries, increased investment in clean energy technologies, and efforts to decrease carbon emissions. List any commitments to being net-zero (by 2050 or any earlier date), any interim commitments your institution has made in this regard, and any milestones that have already been met.*

The financial services industry is supporting important initiatives to address the world's sustainability challenges and climate change, and Truist is proud to be part of this collective transition to a lower carbon economy. Truist believes its strategy and actions to reduce greenhouse gas emissions, enhance environmental sustainability, and expand ESG-related financing will make a positive difference for generations to come.

Truist's strategy for climate change is founded on collaboration and inclusion. Truist works externally across the financial services sector and internally across its lines of business to

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ensure that Truist adopts and builds on best practices — and partners with clients to maximize positive impact.

Truist's goal of net zero emissions by 2050 is consistent with its purpose — to inspire and build better lives and communities — and recognizes the need to take action now to prepare for the risks and opportunities that climate change poses for Truist, its clients, and the places it does business. Using 2019 as a baseline, Truist has also set the following interim sustainability targets:

- 35% reduction in Scope 1 emissions by 2030.
- 35% reduction in Scope 2 emissions by 2030.
- 25% reduction in water consumption by 2030.

Please refer to Truist's ESG and CSR Report for information about Truist's sustainability commitments, investments, and initiatives.

9. *The impacts of your firm's lending, investment, and trading activities on racial and economic equality in the broader economy generally and in labor markets specifically, as well as a performance assessment of any programs or initiatives that you highlighted in your 2021 testimony (if applicable).*

Truist has a long history of lending, investing, and providing financial services to support growth and value creation for businesses of all sizes and across all industries to support job creation and preservation while also strengthening local economies and communities.

Outlined below are several of the programs, tools, and engagements Truist is implementing to advance equity, economic empowerment, and education within Truist and for the clients and communities it serves.

Purpose and Commitment

One of the central components of Truist's merger plan was a bold commitment to drive positive change and progress in LMI neighborhoods through a Community Benefits Plan that would lend or invest \$60 billion through 2022. The Community Benefits Plan was developed after eight community listening sessions and with advice and input from a Community Advisory Board that included leaders from nonprofits, CDFIs, and community advocates.

Truist's Community Benefits Plan commitment includes:

- \$31 billion for home purchase mortgage loans to LMI borrowers, LMI communities, minority borrowers, and majority-minority geographies.
- \$7.8 billion for lending to small businesses and support for businesses with revenues of less than \$1 million.
- \$17.2 billion in Community Development Lending for affordable housing and small business growth lending to nonprofits that serve the LMI community.

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- \$3.6 billion in CRA qualified investments and philanthropy, of which \$130 million will be designated for CRA-qualified philanthropic giving.

Truist is pleased to report that, through August 2022, Truist's estimated combined lending, investing and philanthropic financing activities already exceed \$60 billion. Further, based on Truist's progress to date, Truist is fully on track to deliver on each and every one of its Community Benefit Plan commitments by year end. This includes opening 16 new banking branches in LMI or majority-minority neighborhoods, publishing a plan for serving rural geographies in Truist's footprint and meeting or exceeding each target for mortgage lending, small business lending, philanthropic giving, qualified investments, and diverse supplier spending. In sum, Truist made a three-year commitment to the community in 2019 and through the hard work of Truist's teammates and great partnerships with community and civic leaders and organizations, Truist has delivered on that commitment.

Empowering Clients and Building Better Communities

One way Truist puts its purpose into action is through Truist Community Capital, a client-focused business that provides investments and loans to urban and rural communities to support affordable housing, job creation, and revitalization. Today, Truist Community Capital has a portfolio of more than \$4 billion in equity investments in affordable housing. In 2021 alone, Truist Community Capital invested more than \$1 billion in low-income housing tax credits, NMTCs and other community development funding that created 3,658 jobs for residents of LMI communities, more than 19,000 affordable housing units and served more than 115,000 LMI community members. Through Truist Community Capital, Truist has created community development fund loans and investments, committing more than \$200 million, partnering with more than two dozen flagship CDFIs and community-based funds such as the Charlotte Housing Opportunity Fund, the Black Business Investment Fund in Florida, Appalachian Community Capital, the Baltimore Community Loan Fund, the Washington Housing Initiative, the Westside Futures Fund, People Fund of Texas, the Reinvestment Fund (Pennsylvania) and many more.

To help make its communities and the financial system more inclusive and equitable, Truist has taken even broader steps since 2020. The following are some examples:

- In June 2022, Truist committed \$120 million to strengthen and support small businesses, focusing on Black, Latine, and women-owned businesses. The commitment includes \$30 million in philanthropic grants to support nonprofits that assist small businesses and diverse entrepreneurs and \$5 million in philanthropic grants, which will support technical assistance, small businesses and volunteerism. In addition, \$85 million in investments support debt and equity, partnering with CDFIs.
- In 2021, Truist committed \$50 million in investment funding to serve as the anchor investor with Microsoft on the FDIC Mission Driven Institution investment fund, which will assist minority depository institutions (MDIs) in obtaining financial, technical, and other support to scale their businesses to serve more lower-income clients and communities.
- Truist's \$40 million initial donation in September 2020 helped establish CornerSquare, a new national nonprofit fund that supports selected CDFIs and MDIs by providing capital

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to racially and ethnically diverse small business owners, women, and individuals in LMI communities, with a focus on African American-owned small businesses.

- The Truist Foundation provided a \$10 million grant to Connect Humanity, a nonprofit focused on advancing digital equity among historically marginalized communities. The grant will be used to strengthen Connect Humanity's efforts in providing financing, tools, diversity, equity, and inclusion training, and network expansion to eliminate the digital divide and advance the internet connectivity space. Connect Humanity anticipates the Truist Foundation grant will support approximately 100 communities, improving connectivity for at least 5 million under-connected Americans while creating jobs and driving economic expansion.
- In 2021, Truist committed \$8 million to Mayor Vi Lyles' Racial Equity Initiative in Charlotte, North Carolina. The new initiative will address inequities and remove barriers to opportunity through four key workstreams: bridging the digital divide and establishing a Center for Digital Equity; investing in Charlotte's six "Corridors of Opportunity" neighborhoods; transforming Johnson C. Smith University into a top-tier, career-focused HBCU; and ensuring organizations commit to racial equity by advancing more ethnically diverse leaders within their individual corporations.

To expand access to capital for small and minority-owned businesses and create more equality in lending, investment, and financial services, Truist:

- Became the first U.S. regional bank to issue a social bond, with a \$1.25 billion issuance that had participation from more than 120 investors including ESG-dedicated portfolios and has impacted more than 22,000 affordable housing units. For more information, please see Truist's 2021 Social Bond Impact Report.⁹
- Co-led an investment through Truist Ventures in Zeal Capital Partners, which raised \$62.1 million to make 25-30 inclusive investments in early stage technology and financial technology (fintech) companies.
- Made investments in startups and early-stage companies ranging from fintech to artificial intelligence and machine learning and blockchain through Truist Ventures.
- Invested \$40 million in Greenwood, a digital banking platform for Black and Latine individuals and business owners.
- Made a commitment of \$20 million for Operation HOPE, which is helping launch 1 million Black-owned businesses by 2030, and expanded financial coaching through Operation HOPE at no cost to 680 Truist branches.
- Made a \$1.5 million grant in 2021 and another \$500,000 in 2022 through Truist Foundation to Grameen America, a nonprofit microfinance organization founded by Nobel Peace Prize recipient Muhammad Yunus, which helps women living in poverty create small businesses to provide for their families. Grameen America has a 10-year plan to provide \$1.3 billion in loans, financial training, and asset- and credit-building tools to more than 80,000 Black women entrepreneurs by the end of this decade.

⁹ Available at https://filecache.investorroom.com/mr5ir_truist/561/Truist_2021_Social_Bond_Report_ADA.pdf.

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- Published a Child Tax Credit Toolkit in partnership with the Bank Policy Institute to close the gap for millions of eligible children.
- Expanded free access nationwide to the WORD Force early childhood literacy program presented by Truist and EVERFI.
- Piloted a “Start. Save. Win!” program to help clients boost their emergency savings through an Essential Savings account and a chance to win \$500 to encourage clients to make saving money a habit.

Cumulatively, Truist and the Truist Foundation gave \$116 million in 2021 to support communities. Truist giving was often paired with matching funds or leveraged alongside regional, state, and local programs to maximize the impact. Truist is having a profoundly positive impact on its communities consistent with its purpose to inspire and build better lives and communities.

Responsible and Diverse Sourcing

To create even more opportunities for Black-owned businesses to provide goods and services to Truist and to grow in the marketplace, Truist is actively engaged in mentoring small and minority-owned businesses and increasing opportunities for diverse asset managers. As part of its Community Benefits Plan, Truist committed to significantly increase its diverse supplier spend. In 2021, Truist spent 15.9% with diverse suppliers, including 12.9% with minority-owned businesses, and is on track to exceed those numbers in 2022. Truist is a member of the Sustainable Purchasing Leadership Council to find solutions and share best practices to build a sustainable future through the power of procurement; the National Minority Supplier Development Council (NMSDC); and numerous state and local diverse supplier industry trade groups. In 2021, the Truist Foundation furthered the work of NMSDC through a \$180,000 grant award.

Truist’s Tier2 program further enhances the value that diverse suppliers can bring to its supply chain when direct sourcing with these vendors is not an option. Truist strongly encourages its strategic suppliers to subcontract with qualified certified diverse suppliers in the performance of their primary contractual obligations. Annually, Truist hosts its Tier2 Supplier Diversity Business Summit, where it invites diverse businesses to network with Truist’s strategic suppliers for business opportunities.

In December 2021, Truist announced the launch of Sterling Capital Diverse Multi-Manager Active ETF (NYSE: DEIF) and committed \$100 million in investment capital to support its launch and increase opportunities for diverse asset managers.

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10. Your firm's state of compliance with all applicable laws, including fair lending and other anti-discrimination laws, and an assessment of your firm's actions undertaken over the past ten years to rectify previous discriminatory practices, address practices that contribute to inequality, and expand access to affordable financial products and services to consumers, communities and industries across the country, particularly rural and low income communities.

As a federally regulated banking organization, Truist is committed to complying with all applicable laws and regulations, including those relating to consumer protection and fair and responsible banking. Truist maintains a comprehensive enterprise compliance risk management program designed to address the risk of legal or regulatory sanctions, financial loss, or damage to reputation as a result of noncompliance with:

- Applicable laws, regulations, rules and other regulatory requirements (including the risk of consumers experiencing economic loss or other legal harm as a result of noncompliance with consumer protection laws, regulations, and requirements).
- Internal policies and procedures, standards of best practice, or codes of conduct.
- Principles of integrity and fair dealing applicable to Truist's activities and functions.

As part of its overall compliance program, Truist also maintains a dedicated enterprise fair and responsible banking compliance program, which proactively addresses current regulations and evolving regulatory guidance, to meet Truist's obligations related to applicable fair lending and other anti-discrimination regulations.

Truist's enterprise compliance program covers all Truist lines of business and functional areas and is built on a consistent framework of program elements that are at the foundation of Truist's compliance risk management.

Truist also maintains a robust compliance training curriculum which seeks to ensure teammates understand the expectations and requirements for ethical conduct and risk management and can apply them in their day-to-day work. Truist requires teammates to complete several training courses throughout the year, including training relating to:

- Compliance with applicable laws and regulations, including Regulation V (Fair Credit Reporting), Regulation Z (Truth in Lending), and other applicable laws and regulations.
- Financial crimes, including corruption, bribery, money laundering, sanctions, and fraud.
- Cybersecurity and data privacy, including information protection.
- Consumer protection, including fair lending and compliance, preventing elder financial abuse, and preventing Unfair, Deceptive, and Abusive Acts or Practices (UDAAP).

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Ethical Culture

Ethical values and behavior are front and center at Truist. Truist maintains a Code of Ethics for Teammates which establishes clear expectations regarding teammate conduct, including making decisions and conducting business in a manner consistent with Truist's purpose, mission, and values. Annually, teammates are required to complete a Code of Ethics training and attest they understand and will comply with the code. Teammates who know of or suspect violations of the Code of Ethics must report concerns promptly, and Truist has a strict nonretaliation policy for reports made in good faith.

Truist teammates are also encouraged to speak up if there is any activity or behavior that is inconsistent with Truist's culture. Truist maintains a Reporting Teammate Concerns website which may be used to report, among others:

- Potential teammate wrongdoing or internal fraud.
- Business process gaps.
- Cyber and information security incidents.

Anonymous reporting options are also available.

Anti-Money Laundering, Sanctions Compliance, and Anti-Corruption Practices

Truist implements policies and procedures designed to ensure compliance with anti-money laundering and sanctions regulations promulgated by governmental authorities. These include, but are not limited to, the Bank Secrecy Act, the USA PATRIOT Act, and sanctions regulations implemented by the U.S. Department of the Treasury. Truist takes very seriously its obligation to join with governmental and regulatory authorities and other members of the financial industry to help close financial channels that money launderers, terrorists, and other malign actors use.

Truist also maintains an anti-bribery and anti-corruption program that includes compliance with the Foreign Corrupt Practices Act, which prohibits individuals and businesses from making corrupt payments to foreign officials; and the Bank Bribery Act, which prohibits corrupt acts in connection with bank business. In addition, as part of the anti-money laundering program and to prevent the misuse of Truist by corrupt actors, Truist complies with regulations regarding politically exposed persons.

Responsible Sales and Lending

The equal and fair treatment of credit applicants and existing borrowers is integral to Truist's commitment to help clients achieve financial security and economic success. Truist affirmatively solicits credit applications from all segments of Truist's communities and provides ongoing outreach activities to assure minority consumers and business owners that credit is available on a fair and equitable basis. Truist's commitment to fairness and equity spans all marketing and outreach channels, including digital. Truist shares expertise and provides resources to help LMI clients save money and build trust in banking so they can pay for essentials today, buy their first home, start a business, and save for retirement. Truist's teammates help applicants understand how to best qualify for credit products appropriate for

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their individual financial situations and ensure that everyone inquiring about credit is provided equivalent information and encouragement.

Beyond Truist's compliance-related efforts, as part of Truist's purpose to inspire and build better lives and communities, Truist has taken a number of initiatives to serve communities, including initiatives to mitigate economic opportunity disparities in minority, rural and low-income communities.

Truist's response to topic 7 outlines several of the programs, tools and engagements that Truist is implementing to advance equity, economic empowerment and education within its own institution and for the clients and communities it is privileged to serve.

11. The benefits provided to your firm by the federal government, including but not limited to, tax breaks, the value of direct and indirect support of your firm through federal programs, facilities, and public financial infrastructure provided in response to the COVID-19 pandemic.

Truist did not receive direct support from the various stimulus programs implemented in response to the COVID-19 pandemic. Such programs did, however, enhance Truist's capacity to extend credit to borrowers who were significantly impacted by the pandemic, including:

- Zero percent risk-weight for PPP loans.
- Relief to PPP lenders to mitigate the impact on FDIC insurance premiums.
- Relief from certain GAAP reporting requirements for pandemic related modifications.¹⁰
- Changes to the Current Expected Credit Loss phase-in and amendments to the regulatory capital rules, providing relief for a portion of the increase to the allowance for credit losses during 2020 and 2021.
- Relief from the Supplementary Leverage Ratio relating to balances held at the Federal Reserve and U.S. Treasury Securities.¹¹

Furthermore, Truist did not receive any tax breaks related to the COVID-19 pandemic and continued to pay standard employee wages in circumstances where employees were unable to carry out their normal responsibilities due to COVID-related restrictions.

Truist did not participate in any of the pandemic relief programs established by the Board of Governors of the Federal Reserve System designed to provide liquidity to corporations and businesses, including the Primary Market Corporate Credit Facility, the Commercial Paper Funding Facility, and the Main Street Lending Program.

¹⁰ Truist provided approximately 900,000 COVID-19 related payment relief accommodations to consumers and businesses from March 2020 through December 2021, impacting approximately \$50 billion in loan balances.

¹¹ Truist elected these provisions at the bank holding company level, but not for Truist Bank.

United States Senate, Committee on Banking, Housing, and Urban Affairs
Written Testimony of William H. Rogers, Jr.
Chairman and Chief Executive Officer, Truist Financial Corporation

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APPENDIX

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Map of Truist Branches as of June 30, 2022

