UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended: March 31, 2023

Commission File Number: 1-10853

TRUIST FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

North Carolina	**56-0939887**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
214 North Tryon Street **Charlotte, North Carolina**	**28202**
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code:	**(336) 733-2000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $5 par value	TFC	New York Stock Exchange
Depositary Shares each representing 1/4,000th interest in a share of Series I Perpetual Preferred Stock	TFC.PI	New York Stock Exchange
5.853% Fixed-to-Floating Rate Normal Preferred Purchase Securities each representing 1/100th interest in a share of Series J Perpetual Preferred Stock	TFC.PJ	New York Stock Exchange
Depositary Shares each representing 1/1,000th interest in a share of Series O Non-Cumulative Perpetual Preferred Stock	TFC.PO	New York Stock Exchange
Depositary Shares each representing 1/1,000th interest in a share of Series R Non-Cumulative Perpetual Preferred Stock	TFC.PR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At March 31, 2023, 1,331,917,887 shares of the registrant's common stock, $5 par value, were outstanding.

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TRUIST FINANCIAL CORPORATION

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Glossary of Defined Terms

The following terms may be used throughout this report, including the consolidated financial statements and related notes.

Term	Definition
ACL	Allowance for credit losses
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)
BB&T	BB&T Corporation and subsidiaries (changed to “Truist Financial Corporation” effective with the Merger)
Board	Truist’s Board of Directors
C&CB	Corporate and Commercial Banking, an operating segment
CARES Act	The Coronavirus Aid, Relief, and Economic Security Act
CB&W	Consumer Banking and Wealth, an operating segment
CCAR	Comprehensive Capital Analysis and Review
CDI	Core deposit intangible
CECL	Current expected credit loss model
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CET1	Common equity tier 1
CFPB	Consumer Financial Protection Bureau
Company	Truist Financial Corporation and its subsidiaries (interchangeable with “Truist” below)
COVID-19	Coronavirus disease 2019
CRE	Commercial real estate
DEI	Diversity, Equity & Inclusion
DTA	Deferred tax asset
EPS	Earnings per common share
ESG	Environmental, Social, and Governance
Exchange Act	Securities Exchange Act of 1934, as amended
FDIC	Federal Deposit Insurance Corporation
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
FRB	Board of Governors of the Federal Reserve System
GAAP	Accounting principles generally accepted in the United States of America
GDP	Gross Domestic Product
Grandbridge	Grandbridge Real Estate Capital, LLC
GSE	U.S. government-sponsored enterprise
HFI	Held for investment
HQLA	High-quality liquid assets
HTM	Held-to-maturity
IH	Insurance Holdings, an operating segment
IPV	Independent price verification
ISDA	International Swaps and Derivatives Association, Inc.
LCR	Liquidity Coverage Ratio
LHFS	Loans held for sale
LIBOR	London Interbank Offered Rate
LIBOR Act	Adjustable Interest Rate (LIBOR) Act
LOCOM	Lower of cost or market
Market Risk Rule	Market risk capital requirements issued jointly by the OCC, U.S. Treasury, FRB, and FDIC
MBS	Mortgage-backed securities
MD&A	Management’s Discussion and Analysis of Financial Condition and Results of Operations
Merger	Merger of BB&T and SunTrust effective December 6, 2019
MRO	Model Risk Oversight
MSR	Mortgage servicing right
NA	Not applicable
NIM	Net interest margin, computed on a TE basis
NM	Not meaningful
NPA	Nonperforming asset
NPL	Nonperforming loan
NSFR	Net stable funding ratio
NYSE	New York Stock Exchange
OAS	Option adjusted spread
OCC	Office of the Comptroller of the Currency
OCI	Other comprehensive income (loss)
OPEB	Other post-employment benefit
OREO	Other real estate owned
OT&C	Other, Treasury and Corporate
Parent Company	Truist Financial Corporation, the parent company of Truist Bank and other subsidiaries
PCD	Purchased credit deteriorated loans
PPP	Paycheck Protection Program, established by the CARES Act

Term	Definition
ROU assets	Right-of-use assets
RUFC	Reserve for unfunded lending commitments
S&P	Standard & Poor’s
SBIC	Small Business Investment Company
SCB	Stress Capital Buffer
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
SunTrust	SunTrust Banks, Inc.
TBVPS	Tangible book value per common share
TCFD	Task Force on Climate-Related Financial Disclosures
TDR	Troubled debt restructuring
TE	Taxable-equivalent
TRS	Total Return Swap
Truist	Truist Financial Corporation and its subsidiaries (interchangeable with the “Company” above)
Truist Bank	Truist Bank, formerly Branch Banking and Trust Company
U.S.	United States of America
U.S. Treasury	United States Department of the Treasury
UPB	Unpaid principal balance
USAA	United Services Automobile Association
VaR	Value-at-risk
VIE	Variable interest entity

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, regarding the financial condition, results of operations, business plans and the future performance of Truist. Words such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “projects,” “may,” “will,” “should,” “would,” “could,” and other similar expressions are intended to identify these forward-looking statements.

Forward-looking statements are not based on historical facts but instead represent management’s expectations and assumptions regarding Truist’s business, the economy, and other future conditions. Such statements involve inherent uncertainties, risks, and changes in circumstances that are difficult to predict. As such, Truist’s actual results may differ materially from those contemplated by forward-looking statements. While there can be no assurance that any list of risks and uncertainties or risk factors is complete, important factors that could cause actual results to differ materially from those contemplated by forward-looking statements include the following, without limitation, as well as the risks and uncertainties more fully discussed in Part I, Item 1A-Risk Factors in Truist’s Form 10-K for the year ended December 31, 2022:

- changes in the interest rate environment, including the replacement of LIBOR as an interest rate benchmark, could adversely affect Truist’s revenue and expenses, the value of assets and obligations, including our portfolio of investment securities, and the availability and cost of capital, cash flows, and liquidity;
- Truist is subject to credit risk by lending or committing to lend money, may have more credit risk and higher credit losses to the extent that loans are concentrated by loan type, industry segment, borrower type or location of the borrower or collateral, and may suffer losses if the value of collateral declines in stressed market conditions;
- inability to access short-term funding or liquidity, loss of client deposits or changes in Truist’s credit ratings could increase the cost of funding, limit access to capital markets, or negatively affect Truist’s overall liquidity or capitalization;
- Truist may be impacted by actual or perceived soundness of other financial institutions, including as a result of the financial or operational failure of a major financial institution, or concerns about the creditworthiness of such a financial institution or its ability to fulfill its obligations, which can cause substantial and cascading disruption within the financial markets and increased expenses, including FDIC insurance premiums, and could affect our ability to attract and retain depositors and to borrow or raise capital;
- general economic or business conditions, either globally, nationally or regionally, may be less favorable than expected, including as a result of supply chain disruptions, inflationary pressures and labor shortages, and instability in global geopolitical matters, including due to an outbreak or escalation of hostilities, or volatility in financial markets could result in, among other things, slower deposit or asset growth, a deterioration in credit quality, or a reduced demand for credit, insurance, or other services;
- the monetary and fiscal policies of the federal government and its agencies, including in response to higher inflation, could have a material adverse effect on the economy and Truist’s profitability;
- unexpected outflows of uninsured deposits may require us to sell investment securities at a loss;
- a loss of value of our investment portfolio could negatively impact market perceptions of us and could lead to deposit withdrawals;
- the effects of COVID-19 adversely impacted the Company’s operations and financial performance and similar adverse impacts resulting from pandemics could occur in future periods;
- risk management oversight functions may not identify or address risks adequately, and management may not be able to effectively manage credit risk;
- there are risks resulting from the extensive use of models in Truist’s business, which may impact decisions made by management and regulators;
- deposit attrition, client loss or revenue loss following completed mergers or acquisitions may be greater than anticipated;
- Truist could fail to execute on strategic or operational plans, including the ability to successfully complete or integrate mergers and acquisitions;
- increased competition, including from (i) new or existing competitors that could have greater financial resources or be subject to different regulatory standards or compliance costs, and (ii) products and services offered by non-bank financial technology companies, may reduce Truist’s client base, cause Truist to lower prices for its products and services in order to maintain market share or otherwise adversely impact Truist’s businesses or results of operations;
- failure to maintain or enhance Truist’s competitive position with respect to new products, services, and technology, whether it fails to anticipate client expectations or because its technological developments fail to perform as desired or do not achieve market acceptance or regulatory approval or for other reasons, may cause Truist to lose market share or incur additional expense;
- negative public opinion could damage Truist’s reputation and adversely impact business and revenues, including the effects of social media on market perceptions of Truist and banks generally;
- regulatory matters, litigation or other legal actions may result in, among other things, costs, fines, penalties, restrictions on Truist’s business activities, reputational harm, negative publicity, or other adverse consequences;
- Truist faces substantial legal and operational risks in safeguarding personal information;
- evolving legislative, accounting and regulatory standards, including with respect to climate, capital, and liquidity requirements, which may become more stringent in light of recent market events, and results of regulatory examinations may adversely affect Truist’s financial condition and results of operations;
- increased scrutiny regarding Truist’s consumer sales practices, training practices, incentive compensation design, and governance could damage its reputation and adversely impact business and revenues;
- accounting policies and processes require management to make estimates about matters that are uncertain, including the potential write down to goodwill if there is an elongated period of decline in market value for Truist’s stock and adverse economic conditions are sustained over a period of time;
- Truist faces risks related to originating and selling mortgages, including repurchase and indemnity demands from purchasers related to representations and warranties on loans sold, which could result in an increase in the amount of losses for loan repurchases;
- there are risks relating to Truist’s role as a loan servicer, including an increase in the scope or costs of the services Truist is required to perform without any corresponding increase in servicing fees or a breach of Truist’s obligations as servicer;
- Truist’s success depends on hiring and retaining key teammates, and if these individuals leave or change roles without effective replacements, Truist’s operations could be adversely impacted, which could be exacerbated in the increased work-from-home environment as job markets may be less constrained by physical geography;
- Truist’s operations rely on its ability, and the ability of key external parties, to maintain appropriate-staffed workforces, and on the competence, trustworthiness, health and safety of teammates;
- Truist faces the risk of fraud or misconduct by internal or external parties, which Truist may not be able to prevent, detect, or mitigate;
- security risks, including denial of service attacks, hacking, social engineering attacks targeting Truist’s teammates and clients, malware intrusion, data corruption attempts, system breaches, cyberattacks, which have increased in frequency with geopolitical tensions, identity theft, ransomware attacks, and physical security risks, such as natural disasters, environmental conditions, and intentional acts of destruction, could result in the disclosure of confidential information, adversely affect Truist’s business or reputation or create significant legal or financial exposure; and
- widespread outages of operational, communication, or other systems, whether internal or provided by third parties, natural or other disasters (including acts of terrorism and pandemics), and the effects of climate change, including physical risks, such as more frequent and intense weather events, and risks related to the transition to a lower carbon economy, such as regulatory or technological changes or shifts in market dynamics or consumer preferences, could have an adverse effect on Truist’s financial condition and results of operations, lead to material disruption of Truist’s operations or the ability or willingness of clients to access Truist’s products and services.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Except to the extent required by applicable law or regulation, Truist undertakes no obligation to revise or update any forward-looking statements.

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
TRUIST FINANCIAL CORPORATION AND SUBSIDIARIES

Unaudited (Dollars in millions, except per share data, shares in thousands)	Mar 31, 2023	Dec 31, 2022
Assets		
Cash and due from banks	$ 4,629	$ 5,379
Interest-bearing deposits with banks	32,967	16,042
Securities borrowed or purchased under agreements to resell	3,637	3,181
Trading assets at fair value	4,601	4,905
AFS securities at fair value	71,858	71,801
HTM securities (fair value of $48,097 and $47,791, respectively)	56,932	57,713
LHFS (including $1,911 and $1,065 at fair value, respectively)	2,160	1,444
Loans and leases (including $17 and $18 at fair value, respectively)	327,673	325,991
ALLL	(4,479)	(4,377)
Loans and leases, net of ALLL	323,194	321,614
Premises and equipment	3,519	3,605
Goodwill	27,014	27,013
CDI and other intangible assets	3,535	3,672
Loan servicing rights at fair value	3,303	3,758
Other assets (including $1,549 and $1,582 at fair value, respectively)	37,005	35,128
Total assets	$ 574,354	$ 555,255
Liabilities		
Noninterest-bearing deposits	$ 128,719	$ 135,742
Interest-bearing deposits	276,278	277,753
Short-term borrowings (including $1,789 and $1,551 at fair value, respectively)	23,678	23,422
Long-term debt	69,895	43,203
Other liabilities (including $2,589 and $2,971 at fair value, respectively)	13,390	14,598
Total liabilities	511,960	494,718
Shareholders' Equity		
Preferred stock	6,673	6,673
Common stock, $5 par value	6,660	6,634
Additional paid-in capital	34,582	34,544
Retained earnings	27,038	26,264
AOCI, net of deferred income taxes	(12,581)	(13,601)
Noncontrolling interests	22	23
Total shareholders' equity	62,394	60,537
Total liabilities and shareholders' equity	$ 574,354	$ 555,255
Common shares outstanding	1,331,918	1,326,829
Common shares authorized	2,000,000	2,000,000
Preferred shares outstanding	223	223
Preferred shares authorized	5,000	5,000

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME
TRUIST FINANCIAL CORPORATION AND SUBSIDIARIES

Unaudited (Dollars in millions, except per share data, shares in thousands)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Interest Income		
Interest and fees on loans and leases	$ 4,656	$ 2,644
Interest on securities	752	640
Interest on other earning assets	377	73
Total interest income	5,785	3,357
Interest Expense		
Interest on deposits	1,125	32
Interest on long-term debt	514	132
Interest on other borrowings	278	10
Total interest expense	1,917	174
Net Interest Income	3,868	3,183
Provision for credit losses	502	(95)
Net Interest Income After Provision for Credit Losses	3,366	3,278
Noninterest Income		
Insurance income	813	727
Wealth management income	339	343
Investment banking and trading income	261	261
Service charges on deposits	249	252
Card and payment related fees	230	212
Mortgage banking income	142	121
Lending related fees	106	85
Operating lease income	67	58
Securities gains (losses)	—	(69)
Other income	27	152
Total noninterest income	2,234	2,142
Noninterest Expense		
Personnel expense	2,181	2,051
Professional fees and outside processing	314	363
Software expense	214	232
Net occupancy expense	183	208
Amortization of intangibles	136	137
Equipment expense	110	118
Marketing and customer development	78	84
Operating lease depreciation	46	48
Regulatory costs	75	35
Merger-related and restructuring charges	63	216
Other expense	291	182
Total noninterest expense	3,691	3,674
Earnings		
Income before income taxes	1,909	1,746
Provision for income taxes	394	330
Net income	1,515	1,416
Noncontrolling interests	2	1
Preferred stock dividends and other	103	88
Net income available to common shareholders	$ 1,410	$ 1,327
Basic EPS	$ 1.06	$ 1.00
Diluted EPS	1.05	0.99
Basic weighted average shares outstanding	1,328,602	1,329,037
Diluted weighted average shares outstanding	1,339,480	1,341,563

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
TRUIST FINANCIAL CORPORATION AND SUBSIDIARIES

Unaudited (Dollars in millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net income	$ 1,515	$ 1,416
OCI, net of tax:		
Net change in net pension and postretirement costs	(14)	8
Net change in cash flow hedges	125	5
Net change in AFS securities	853	(4,989)
Net change in HTM securities	55	44
Other, net	1	1
Total OCI, net of tax	1,020	(4,931)
Total OCI	$ 2,535	$ (3,515)
Income Tax Effect of Items Included in OCI:		
Net change in net pension and postretirement costs	$ (3)	$ 2
Net change in cash flow hedges	38	1
Net change in AFS securities	262	(1,513)
Net change in HTM securities	15	13
Total income taxes related to OCI	$ 312	$ (1,497)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
TRUIST FINANCIAL CORPORATION AND SUBSIDIARIES

Unaudited (Dollars in millions, shares in thousands)	Shares of Common Stock	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	AOCI	Noncontrolling Interests	Total Shareholders' Equity
Balance, January 1, 2022	1,327,818	$ 6,673	$ 6,639	$ 34,565	$ 22,998	$ (1,604)	$ —	$ 69,271
Net income	—	—	—	—	1,415	—	1	1,416
OCI	—	—	—	—	—	(4,931)	—	(4,931)
Issued in connection with equity awards, net	3,596	—	18	(106)	(1)	—	—	(89)
Cash dividends declared on common stock	—	—	—	—	(637)	—	—	(637)
Cash dividends declared on preferred stock	—	—	—	—	(88)	—	—	(88)
Equity-based compensation expense	—	—	—	80	—	—	—	80
Other, net	—	—	—	—	—	—	22	22
Balance, March 31, 2022	1,331,414	$ 6,673	$ 6,657	$ 34,539	$ 23,687	$ (6,535)	$ 23	$ 65,044
Balance, January 1, 2023	1,326,829	$ 6,673	$ 6,634	$ 34,544	$ 26,264	$ (13,601)	$ 23	$ 60,537
Net income	—	—	—	—	1,513	—	2	1,515
OCI	—	—	—	—	—	1,020	—	1,020
Issued in connection with equity awards, net	5,089	—	26	(45)	(1)	—	—	(20)
Cash dividends declared on common stock	—	—	—	—	(691)	—	—	(691)
Cash dividends declared on preferred stock	—	—	—	—	(103)	—	—	(103)
Equity-based compensation expense	—	—	—	83	—	—	—	83
Other, net	—	—	—	—	56	—	(3)	53
Balance, March 31, 2023	1,331,918	$ 6,673	$ 6,660	$ 34,582	$ 27,038	$ (12,581)	$ 22	$ 62,394

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
TRUIST FINANCIAL CORPORATION AND SUBSIDIARIES

Unaudited (Dollars in millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash Flows From Operating Activities:		
Net income	$ 1,515	$ 1,416
Adjustments to reconcile net income to net cash from operating activities:		
Provision for credit losses	502	(95)
Depreciation	180	195
Amortization of intangibles	136	137
Securities (gains) losses	—	69
Net change in operating assets and liabilities:		
LHFS	(846)	180
Loan servicing rights	27	(380)
Pension asset	(1,346)	(410)
Derivative assets and liabilities	(12)	986
Trading assets	304	(1,497)
Other assets and other liabilities	(490)	(558)
Other, net	148	(231)
Net cash from operating activities	118	(188)
Cash Flows From Investing Activities:		
Proceeds from sales of AFS securities	4	3,127
Proceeds from maturities, calls and paydowns of AFS securities	1,279	5,259
Purchases of AFS securities	(140)	(7,219)
Proceeds from maturities, calls and paydowns of HTM securities	858	857
Purchases of HTM securities	—	(3,020)
Originations and purchases of loans and leases, net of sales and principal collected	(1,835)	(134)
Net cash received (paid) for FHLB stock	(1,147)	(1)
Net cash received (paid) for securities borrowed or purchased under agreements to resell	(456)	1,706
Net cash received (paid) for asset acquisitions, business combinations, and divestitures	—	(488)
Other, net	(613)	(121)
Net cash from investing activities	(2,050)	(34)
Cash Flows From Financing Activities:		
Net change in deposits	(8,498)	11,842
Net change in short-term borrowings	224	(145)
Proceeds from issuance of long-term debt	35,029	66
Repayment of long-term debt	(8,444)	(1,699)
Cash dividends paid on common stock	(691)	(637)
Cash dividends paid on preferred stock	(103)	(88)
Net cash received (paid) for hedge unwinds	(378)	(198)
Other, net	(32)	(92)
Net cash from financing activities	17,107	9,049
Net Change in Cash and Cash Equivalents	15,175	8,827
Cash and Cash Equivalents, January 1	21,421	20,295
Cash and Cash Equivalents, March 31	$ 36,596	$ 29,122
Supplemental Disclosure of Cash Flow Information:		
Net cash paid (received) during the period for:		
Interest expense	$ 1,667	$ 156
Income taxes	23	40
Noncash investing activities:		
Transfer of AFS securities to HTM	—	59,436

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1. Basis of Presentation

General

See the Glossary of Defined Terms at the beginning of this Report for terms used herein. These consolidated financial statements and notes are presented in accordance with the instructions for Form 10-Q, and, therefore, do not include all information and notes necessary for a complete presentation of financial position, results of operations, and cash flow activity required in accordance with GAAP. In the opinion of management, all normal recurring adjustments necessary for a fair statement of the consolidated financial position and consolidated results of operations have been made. The year-end consolidated balance sheet data was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements. The information contained in the financial statements and notes included in the Annual Report on Form 10-K for the year ended December 31, 2022 should be referred to in connection with these unaudited interim consolidated financial statements. The Company updated its accounting policies in connection with recently adopted accounting standards. There were no other significant changes to the Company's accounting policies from those disclosed in the Annual Report on Form 10-K for the year ended December 31, 2022 that could have a material effect on the Company's financial statements.

Reclassifications

In the first quarter of 2023, the Company reclassified certain portfolios within the consumer portfolio segment to delineate home equity from other consumer portfolios. Additionally, during the first quarter of 2023, Truist reorganized Prime Rate Premium Finance Corporation, which includes AFCO Credit Corporation and CAFO Holding Company, into the C&CB segment from the IH segment. Prior periods were revised to conform to the current presentation. Certain other amounts reported in prior periods' consolidated financial statements have been reclassified to conform to the current presentation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change include the determination of the ACL; determination of fair value for securities, MSRs, LHFS, trading loans, and derivative assets and liabilities; goodwill and other intangible assets; income taxes; and pension and postretirement benefit obligations.

Loan Modifications

In certain circumstances, the Company enters into agreements to modify the terms of loans to borrowers that are experiencing financial difficulty. The scope of these loan modifications varies from portfolio to portfolio but generally falls into one of the following categories:

- Renewals: represent the renewal of a loan where the Company has concluded that the borrower is experiencing financial difficulty. Commercial renewals result in an extension of the maturity date of the loan (or in some cases a contraction of the loan term), and other significant terms of the loan (e.g., interest rate, collateral, guarantor support, etc.) are re-evaluated in connection with the renewal event.
- Term extensions: represent an adjustment to the maturity date of the loan that typically results in a reduction to the borrower's scheduled payment over the remainder of the loan.
- Capitalizations: represents the capitalization of forborne loan payments and/or other amounts advanced on behalf of the borrower into the principal balance of a residential mortgage loan.
- Payment delays: provide the borrower with a temporary postponement of loan payments that is considered other-than-insignificant, which has been defined as a payment delay that exceeds 90 days, or three payment cycles, over a rolling 12-month period. These postponed loan payments may result in an extension of the ultimate maturity date of the loan or may be capitalized into the principal balance of the loan in certain circumstances.
- Combinations: in certain circumstances more than one type of a modification is provided to a borrower (e.g., interest rate reduction and term extension).
- Other: represents other types of loan modifications that are not considered significant for disclosure purposes.

The Company has identified borrowers that are included in the Loan Modifications disclosures in "Note 5. Loans and ACL" as follows:

- Commercial: the Company evaluates all modifications of loans to commercial borrowers that are rated substandard or worse and includes the modifications in its disclosure to the extent that the modification is considered other-than-insignificant.
- Consumer and credit card: loan modifications to consumer and credit borrowers are generally limited to borrowers that are experiencing financial difficulty. As a result, the Company evaluates all modifications of consumer and credit card loans and includes them in the disclosure to the extent that they are considered other-than insignificant.

Refer to the Annual Report on Form 10-K for the year ended December 31, 2022 for accounting policies related to prior period, including the Company's TDR policies.

ALLL

The ALLL represents management's best estimate of expected future credit losses related to its loan and lease portfolio at the balance sheet date. The Company's ALLL estimation process gives consideration to relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts. The quantitative models used to forecast expected credit losses use portfolio balances, macroeconomic forecast data, portfolio composition and loan attributes as the primary inputs. Loss estimates are informed by historical loss experience that includes losses incurred on loans that were previously modified by the Company. As a result, the Company has concluded that aside from the limited circumstances where principal forgiveness is granted to a borrower, the financial effect of loan modifications is already inherently included in the ALLL.

Income Taxes

The Company's provision for income taxes is based on income and expense reported for financial statement purposes after adjustments for permanent differences such as interest income from lending to tax-exempt entities, tax credits, and amortization expense related to qualified tax credit investments. In computing the provision for income taxes, the Company evaluates the technical merits of its income tax positions based on current legislative, judicial, and regulatory guidance. The proportional amortization method of accounting is used on affordable housing and other qualified tax credit investments, such that the initial cost of the investment giving rise to tax credits is amortized in proportion to the allocation of tax credits in each period as a component of the provision for income taxes. Truist includes the initial investment cash flows and subsequent credits within operating activities in the Consolidated Statement of Cash Flows.

Changes in Accounting Principles and Effects of New Accounting Pronouncements

Standard / Adoption Date	Description	Effects on the Financial Statements
Standards Adopted During the Current Year		
Troubled Debt Restructurings and Vintage Disclosures January 1, 2023	Eliminates TDRs, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors made to borrowers experiencing financial difficulty. Additionally, requires disclosure of current-period gross write-offs by year of origination for financing receivables and net investment in leases.	Truist adopted this standard on a modified-retrospective basis. Upon adoption, the Company eliminated the separate ACL estimation process for loans classified as TDRs. The adoption of this standard did not have a material impact on the financial statements. The Company's revised disclosures in accordance with the new standard are included in "Note 5. Loans and ACL."
Fair Value Hedging – Portfolio Layer Method January 1, 2023	Introduces the portfolio layer method, which expands the current single-layer method to allow multiple hedged layers of a single closed portfolio. Additionally, expands the scope of the portfolio layer method to include non-prepayable assets, specifies eligible hedging instruments in a single-layer hedge, provides additional guidance on the accounting for and disclosure of hedge basis adjustments under the portfolio layer method and specifies how hedge basis adjustments should be considered when determining credit losses for the assets included in the closed portfolio.	The adoption of this standard did not have a material impact on the Company's active last-of-layer hedges.
Investments in Tax Credit Structures January 1, 2023	Allows reporting entities to elect to account for qualifying tax equity investments using the proportional amortization method, regardless of the program giving rise to the related income tax credits. Previously, reporting entities were only permitted to apply the proportional amortization method only to qualifying tax equity investments in low-income housing tax credit structures.	Truist early adopted this standard on a modified-retrospective basis. The adoption of this standard did not have a material impact on the financial statements. Refer to "Note 14. Commitments and Contingencies" for additional information regarding tax credit investments.

NOTE 2. Business Combinations, Divestitures, and Noncontrolling Interests

Noncontrolling Interest

On April 3, 2023, the Company completed its sale of a 20% stake of the common equity in Truist Insurance Holdings, LLC to an investor group led by Stone Point Capital, LLC for $1.95 billion, with the proceeds, net of tax, recognized as an increase to shareholders' equity. In connection with the transaction, the noncontrolling interest holder received profit interests representing 3.75% coverage on Truist Insurance Holdings' fully diluted equity value at transaction close, and certain consent and exit rights commensurate with a noncontrolling investor. The transaction allows Truist to maintain strategic flexibility and future upside in Truist Insurance Holdings, which will continue to benefit from Truist's operations, access to capital, and client relationships, while creating additional opportunities for growth of Truist Insurance Holdings through the support of a strong blue-chip investor in Stone Point Capital.

NOTE 3. Securities Financing Activities

Securities purchased under agreements to resell are primarily collateralized by U.S. government or agency securities and are carried at the amounts at which the securities will be subsequently sold, plus accrued interest. Securities borrowed are primarily collateralized by corporate securities. The Company borrows securities and purchases securities under agreements to resell as part of its securities financing activities. On the acquisition date of these securities, the Company and the related counterparty agree on the amount of collateral required to secure the principal amount loaned under these arrangements. The Company monitors collateral values daily and calls for additional collateral to be provided as warranted under the respective agreements. The following table presents securities borrowed or purchased under agreements to resell:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Securities purchased under agreements to resell	$ 2,685	$ 2,415
Securities borrowed	952	766
Total securities borrowed or purchased under agreements to resell	$ 3,637	$ 3,181
Fair value of collateral permitted to be resold or repledged	$ 3,520	$ 3,058
Fair value of securities resold or repledged	657	864

For securities sold under agreements to repurchase, the Company would be obligated to provide additional collateral in the event of a significant decline in fair value of the collateral pledged. This risk is managed by monitoring the liquidity and credit quality of the collateral, as well as the maturity profile of the transactions. Refer to "Note 14. Commitments and Contingencies" for additional information related to pledged securities. The following table presents the Company's related activity, by collateral type and remaining contractual maturity:

	March 31, 2023			December 31, 2022		
(Dollars in millions)	Overnight and Continuous	Up to 30 days	Total	Overnight and Continuous	Up to 30 days	Total
U.S. Treasury	$ 631	$ 10	$ 641	$ 318	$ —	$ 318
State and Municipal	297	—	297	272	—	272
GSE	23	—	23	74	—	74
Agency MBS - residential	666	6	672	1,019	26	1,045
Corporate and other debt securities	185	304	489	369	50	419
Total securities sold under agreements to repurchase	$ 1,802	$ 320	$ 2,122	$ 2,052	$ 76	$ 2,128

There were no securities financing transactions subject to legally enforceable master netting arrangements that were eligible for balance sheet netting for the periods presented.

NOTE 4. Investment Securities

The following tables summarize the Company's AFS and HTM securities:

March 31, 2023 (Dollars in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities:				
U.S. Treasury	$ 11,083	$ 2	$ 644	$ 10,441
GSE	332	—	31	301
Agency MBS - residential	64,382	1	9,208	55,175
Agency MBS - commercial	2,872	—	474	2,398
States and political subdivisions	425	17	17	425
Non-agency MBS	3,884	—	786	3,098
Other	20	—	—	20
Total AFS securities	$ 82,998	$ 20	$ 11,160	$ 71,858
HTM securities:				
Agency MBS - residential	$ 56,932	$ —	$ 8,835	$ 48,097

December 31, 2022 (Dollars in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities:				
U.S. Treasury	$ 11,080	$ —	$ 785	$ 10,295
GSE	339	—	36	303
Agency MBS - residential	65,377	—	10,152	55,225
Agency MBS - commercial	2,887	—	463	2,424
States and political subdivisions	425	15	24	416
Non-agency MBS	3,927	—	810	3,117
Other	21	—	—	21
Total AFS securities	$ 84,056	$ 15	$ 12,270	$ 71,801
HTM securities:				
Agency MBS - residential	$ 57,713	$ —	$ 9,922	$ 47,791

The amortized cost and estimated fair value of certain MBS securities issued by FNMA and FHLMC that exceeded 10% of shareholders' equity are shown in the table below:

(Dollars in millions)	March 31, 2023 Amortized Cost	March 31, 2023 Fair Value
FNMA	$ 41,783	$ 35,517
FHLMC	42,308	35,747

The amortized cost and estimated fair value of the securities portfolio by contractual maturity are shown in the following table. The expected life of MBS may be shorter than the contractual maturities because borrowers have the right to prepay their obligations with or without penalties.

March 31, 2023 (Dollars in millions)	Amortized Cost					Fair Value				
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
AFS securities:										
U.S. Treasury	$ 2,587	$ 8,448	$ 19	$ 29	$ 11,083	$ 2,528	$ 7,869	$ 18	$ 26	$ 10,441
GSE	—	7	11	314	332	—	7	10	284	301
Agency MBS - residential	—	65	580	63,737	64,382	—	62	547	54,566	55,175
Agency MBS - commercial	1	7	71	2,793	2,872	1	7	68	2,322	2,398
States and political subdivisions	3	94	139	189	425	3	93	148	181	425
Non-agency MBS	—	—	—	3,884	3,884	—	—	—	3,098	3,098
Other	6	—	14	—	20	6	—	14	—	20
Total AFS securities	$ 2,597	$ 8,621	$ 834	$ 70,946	$ 82,998	$ 2,538	$ 8,038	$ 805	$ 60,477	$ 71,858
HTM securities:										
Agency MBS - residential	$ —	$ —	$ —	$ 56,932	$ 56,932	$ —	$ —	$ —	$ 48,097	$ 48,097

The following tables present the fair values and gross unrealized losses of investments based on the length of time that individual securities have been in a continuous unrealized loss position:

March 31, 2023 (Dollars in millions)	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
AFS securities:						
U.S. Treasury	$ 1,267	$ 27	$ 8,977	$ 617	$ 10,244	$ 644
GSE	112	5	175	26	287	31
Agency MBS - residential	1,267	65	53,717	9,143	54,984	9,208
Agency MBS - commercial	318	24	2,066	450	2,384	474
States and political subdivisions	42	1	210	16	252	17
Non-agency MBS	—	—	3,098	786	3,098	786
Other	5	—	15	—	20	—
Total	$ 3,011	$ 122	$ 68,258	$ 11,038	$ 71,269	$ 11,160
HTM securities:						
Agency MBS - residential	$ —	$ —	$ 48,097	$ 8,835	$ 48,097	$ 8,835

December 31, 2022 (Dollars in millions)	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
AFS securities:						
U.S. Treasury	$ 2,069	$ 49	$ 8,186	$ 736	$ 10,255	$ 785
GSE	180	14	114	22	294	36
Agency MBS - residential	25,041	3,263	30,050	6,889	55,091	10,152
Agency MBS - commercial	790	92	1,631	371	2,421	463
States and political subdivisions	251	21	20	3	271	24
Non-agency MBS	—	—	3,117	810	3,117	810
Other	21	—	—	—	21	—
Total	$ 28,352	$ 3,439	$ 43,118	$ 8,831	$ 71,470	$ 12,270
HTM securities:						
Agency MBS - residential	$ 29,369	$ 5,613	$ 18,422	$ 4,309	$ 47,791	$ 9,922

At March 31, 2023 and December 31, 2022, no ACL was established for AFS or HTM securities. Substantially all of the unrealized losses on the securities portfolio, including non-agency MBS, were the result of changes in market interest rates compared to the date the securities were acquired rather than the credit quality of the issuers or underlying loans. HTM debt securities consist of residential agency MBS. Accordingly, the Company does not expect to incur any credit losses on investment securities.

The following table presents gross securities gains and losses recognized in earnings:

(Dollars in millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Gross realized gains	$ —	$ 13
Gross realized losses	—	(82)
Securities gains (losses), net	$ —	$ (69)

NOTE 5. Loans and ACL

In the first quarter of 2023, the Company adopted the Troubled Debt Restructurings and Vintage Disclosures accounting standard. Certain newly required disclosures in this footnote are presented as of and for the period ended March 31, 2023 only as the adoption of this guidance did not impact the prior periods. As such, disclosures were provided related to TDRs as of December 31, 2022 and for the three months ended March 31, 2022 under prior accounting standards. Refer to “Note 1. Basis of Presentation” for additional information.

The following tables present loans and leases HFI by aging category. Government guaranteed loans are not placed on nonperforming status regardless of delinquency because collection of principal and interest is reasonably assured.

March 31, 2023 (Dollars in millions)	Accruing				
	Current	30-89 Days Past Due	90 Days Or More Past Due(1)	Nonperforming	Total
Commercial:					
Commercial and industrial	$ 166,663	$ 125	$ 35	$ 394	$ 167,217
CRE	22,519	34	—	117	22,670
Commercial construction	5,947	3	—	1	5,951
Consumer:					
Residential mortgage	55,057	491	674	233	56,455
Home equity	10,370	65	10	132	10,577
Indirect auto	26,498	511	—	270	27,279
Other consumer	27,523	164	10	45	27,742
Student	4,046	356	594	—	4,996
Credit card	4,692	56	38	—	4,786
Total	$ 323,315	$ 1,805	$ 1,361	$ 1,192	$ 327,673

(1) Includes government guaranteed loans of $649 million in the residential mortgage portfolio and $590 million in the student portfolio.

December 31, 2022 (Dollars in millions)	Accruing				
	Current	30-89 Days Past Due	90 Days Or More Past Due(1)	Nonperforming	Total
Commercial:					
Commercial and industrial	$ 163,604	$ 256	$ 49	$ 398	$ 164,307
CRE	22,568	25	1	82	22,676
Commercial construction	5,844	5	—	—	5,849
Consumer:					
Residential mortgage	55,005	614	786	240	56,645
Home equity	10,661	68	12	135	10,876
Indirect auto	27,015	646	1	289	27,951
Other consumer	27,289	187	13	44	27,533
Student	4,179	402	706	—	5,287
Credit card	4,766	64	37	—	4,867
Total	$ 320,931	$ 2,267	$ 1,605	$ 1,188	$ 325,991

(1) Includes government guaranteed loans of $759 million in the residential mortgage portfolio and $702 million in the student portfolio.

The following tables present the amortized cost basis of loans by origination year and credit quality indicator:

March 31, 2023 (Dollars in millions)	Amortized Cost Basis by Origination Year 2023	2022	2021	2020	2019	Prior	Revolving Credit	Loans Converted to Term	Other[1]	Total
Commercial:										
Commercial and industrial:										
Pass	$ 9,673	$ 41,280	$ 19,702	$ 10,213	$ 7,556	$ 13,686	$ 59,715	$ —	$ (217)	$ 161,608
Special mention	56	585	357	113	83	137	643	—	—	1,974
Substandard	65	745	375	166	452	440	998	—	—	3,241
Nonperforming	1	55	50	41	22	57	168	—	—	394
Total	9,795	42,665	20,484	10,533	8,113	14,320	61,524	—	(217)	167,217
Gross charge-offs	—	9	15	1	3	15	32	—	—	75
CRE:										
Pass	1,042	5,649	3,269	2,302	3,426	3,902	834	—	(74)	20,350
Special mention	6	273	113	74	289	208	—	—	—	963
Substandard	38	223	47	33	526	372	1	—	—	1,240
Nonperforming	—	37	3	2	—	75	—	—	—	117
Total	1,086	6,182	3,432	2,411	4,241	4,557	835	—	(74)	22,670
Gross charge-offs	—	2	—	—	—	4	—	—	—	6
Commercial construction:										
Pass	219	1,628	1,618	636	219	157	1,021	—	—	5,498
Special mention	37	84	36	176	—	—	1	—	—	334
Substandard	1	39	6	19	—	53	—	—	—	118
Nonperforming	—	—	—	—	1	—	—	—	—	1
Total	257	1,751	1,660	831	220	210	1,022	—	—	5,951
Consumer:										
Residential mortgage:										
Current	649	13,827	17,194	6,076	3,037	14,274	—	—	—	55,057
30 - 89 days past due	2	33	57	25	29	345	—	—	—	491
90 days or more past due	—	11	29	50	56	528	—	—	—	674
Nonperforming	—	6	11	9	12	195	—	—	—	233
Total	651	13,877	17,291	6,160	3,134	15,342	—	—	—	56,455
Gross charge-offs	—	—	1	—	—	—	—	—	—	1
Home equity:										
Current							6,506	3,864	—	10,370
30 - 89 days past due							44	21	—	65
90 days or more past due							6	4	—	10
Nonperforming							46	86	—	132
Total	—	—	—	—	—	—	6,602	3,975	—	10,577
Gross charge-offs	—	—	—	—	—	—	2	—	—	2
Indirect auto:										
Current	2,077	10,757	6,504	3,667	2,147	1,339	—	—	7	26,498
30 - 89 days past due	6	147	130	82	70	76	—	—	—	511
Nonperforming	—	57	71	49	48	45	—	—	—	270
Total	2,083	10,961	6,705	3,798	2,265	1,460	—	—	7	27,279
Gross charge-offs	—	39	34	17	16	21	—	—	—	127
Other consumer:										
Current	2,915	10,324	5,181	2,777	1,563	1,690	3,053	20	—	27,523
30 - 89 days past due	4	71	36	20	16	12	4	1	—	164
90 days or more past due	—	8	1	—	—	—	1	—	—	10
Nonperforming	—	4	15	10	6	9	—	1	—	45
Total	2,919	10,407	5,233	2,807	1,585	1,711	3,058	22	—	27,742
Gross charge-offs	—	45	25	14	10	5	6	—	—	105
Student:										
Current	—	—	—	16	66	3,964	—	—	—	4,046
30 - 89 days past due	—	—	—	—	1	355	—	—	—	356
90 days or more past due	—	—	—	—	1	593	—	—	—	594
Total	—	—	—	16	68	4,912	—	—	—	4,996
Gross charge-offs	—	—	—	—	—	5	—	—	—	5
Credit card:										
Current							4,675	17	—	4,692
30 - 89 days past due							54	2	—	56
90 days or more past due							36	2	—	38
Total	—	—	—	—	—	—	4,765	21	—	4,786
Gross charge-offs	—	—	—	—	—	—	50	1	—	51
Total	$ 16,791	$ 85,843	$ 54,805	$ 26,556	$ 19,626	$ 42,512	$ 77,806	$ 4,018	$ (284)	$ 327,673
Gross charge-offs	$ —	$ 95	$ 75	$ 32	$ 29	$ 50	$ 90	$ 1	$ —	$ 372

December 31, 2022 (Dollars in millions)	Amortized Cost Basis by Origination Year 2022	2021	2020	2019	2018	Prior	Revolving Credit	Loans Converted to Term	Other(1)	Total
Commercial:										
Commercial and industrial:										
Pass	$ 45,890	$ 21,642	$ 11,219	$ 8,258	$ 4,977	$ 9,686	$ 57,854	$ —	$ (199)	$ 159,327
Special mention	243	302	143	160	61	88	721	—	—	1,718
Substandard	518	387	113	413	249	187	997	—	—	2,864
Nonperforming	47	53	10	28	46	27	187	—	—	398
Total	46,698	22,384	11,485	8,859	5,333	9,988	59,759	—	(199)	164,307
CRE:										
Pass	6,141	3,595	2,220	3,846	2,092	2,265	757	—	(70)	20,846
Special mention	106	118	74	229	281	5	18	—	—	831
Substandard	106	99	35	422	121	134	—	—	—	917
Nonperforming	—	3	—	—	77	2	—	—	—	82
Total	6,353	3,815	2,329	4,497	2,571	2,406	775	—	(70)	22,676
Commercial construction:										
Pass	1,501	1,500	825	290	212	71	1,056	—	—	5,455
Special mention	80	—	93	—	—	—	35	—	—	208
Substandard	114	—	18	1	53	—	—	—	—	186
Total	1,695	1,500	936	291	265	71	1,091	—	—	5,849
Consumer:										
Residential mortgage:										
Current	13,824	17,340	6,167	3,084	1,384	13,206	—	—	—	55,005
30 - 89 days past due	55	61	32	37	43	386	—	—	—	614
90 or more days past due	5	31	62	62	91	535	—	—	—	786
Nonperforming	4	6	10	12	17	191	—	—	—	240
Total	13,888	17,438	6,271	3,195	1,535	14,318	—	—	—	56,645
Home equity:										
Current							6,843	3,818	—	10,661
30 - 89 days past due							48	20	—	68
90 days or more past due							9	3	—	12
Nonperforming							44	91	—	135
Total	—	—	—	—	—	—	6,944	3,932	—	10,876
Indirect auto:										
Current	11,646	7,141	4,105	2,461	1,096	559	—	—	7	27,015
30 - 89 days past due	147	174	111	100	60	54	—	—	—	646
90 days or more past due	1	—	—	—	—	—	—	—	—	1
Nonperforming	41	77	56	56	34	25	—	—	—	289
Total	11,835	7,392	4,272	2,617	1,190	638	—	—	7	27,951
Other consumer:										
Current	11,270	5,805	3,167	1,814	865	1,061	3,278	29	—	27,289
30 - 89 days past due	68	44	26	20	10	7	10	2	—	187
90 days or more past due	8	1	1	1	—	—	2	—	—	13
Nonperforming	4	11	8	9	2	8	2	—	—	44
Total	11,350	5,861	3,202	1,844	877	1,076	3,292	31	—	27,533
Student:										
Current	—	—	17	71	57	4,034	—	—	—	4,179
30 - 89 days past due	—	—	—	1	1	400	—	—	—	402
90 days or more past due	—	—	—	1	1	704	—	—	—	706
Total	—	—	17	73	59	5,138	—	—	—	5,287
Credit card:										
Current							4,750	16	—	4,766
30 - 89 days past due							63	1	—	64
90 days or more past due							36	1	—	37
Total	—	—	—	—	—	—	4,849	18	—	4,867
Total	$ 91,819	$ 58,390	$ 28,512	$ 21,376	$ 11,830	$ 33,635	$ 76,710	$ 3,981	$ (262)	$ 325,991

(1) Includes certain deferred fees and costs and other adjustments.

ACL

The following tables present activity in the ACL:

(Dollars in millions)	Balance at Jan 1, 2022	Charge-Offs	Recoveries	Provision (Benefit)	Other[(1)]	Balance at Mar 31, 2022
Commercial:						
Commercial and industrial	$ 1,426	$ (31)	$ 17	$ (93)	$ —	$ 1,319
CRE	350	(1)	1	(67)	—	283
Commercial construction	52	(1)	1	1	—	53
Consumer:						
Residential mortgage	308	(2)	6	(2)	—	310
Home equity	96	(1)	5	(12)	—	88
Indirect auto	1,022	(102)	23	14	—	957
Other consumer	714	(76)	21	38	—	697
Student	117	(6)	—	3	1	115
Credit card	350	(41)	9	30	—	348
ALLL	4,435	(261)	83	(88)	1	4,170
RUFC	260	—	—	(7)	—	253
ACL	$ 4,695	$ (261)	$ 83	$ (95)	$ 1	$ 4,423

(Dollars in millions)	Balance at Jan 1, 2023	Charge-Offs	Recoveries	Provision (Benefit)	Other[(1)]	Balance at Mar 31, 2023
Commercial:						
Commercial and industrial	$ 1,409	$ (75)	$ 13	$ 151	$ (1)	$ 1,497
CRE	224	(6)	1	32	—	251
Commercial construction	46	—	1	40	—	87
Consumer:						
Residential mortgage	399	(1)	2	13	(81)	332
Home equity	90	(2)	6	(7)	—	87
Indirect auto	981	(127)	26	100	13	993
Other consumer	770	(105)	17	98	(1)	779
Student	98	(5)	—	5	—	98
Credit card	360	(51)	9	40	(3)	355
ALLL	4,377	(372)	75	472	(73)	4,479
RUFC	272	—	—	10	—	282
ACL	$ 4,649	$ (372)	$ 75	$ 482	$ (73)	$ 4,761

(1) Includes the amounts for the ALLL for PCD acquisitions, the impact of adopting the Troubled Debt Restructurings and Vintage Disclosures accounting standard, and other activity.

The commercial ALLL increased $156 million and the consumer ALLL decreased $49 million for the three months ended March 31, 2023. The increase in the commercial ALLL primarily reflects loan growth and increased economic uncertainty. The decrease in the consumer ALLL was primarily driven by the impact of the Troubled Debt Restructurings and Vintage Disclosures accounting standard, under which reasonable expectations of TDRs are no longer considered, partially offset by increased economic uncertainty. Considerations for the increased economic uncertainty include the potential impacts related to the risks associated with inflation, rising rates, geopolitical events, and recession.

The quantitative models have been designed to estimate losses using macro-economic forecasts over a reasonable and supportable forecast period of two years, followed by a reversion to long-term historical loss conditions over a one-year period. Forecasts of macroeconomic variables used in loss forecasting include, but are not limited to, unemployment trends, U.S. real GDP, corporate credit spreads, rental rates, property values, home price indices, and used car prices.

The primary economic forecast incorporates a third-party baseline forecast that is adjusted to reflect Truist's interest rate outlook. Management also considers optimistic and pessimistic third-party macro-economic forecasts in order to capture uncertainty in the economic environment. These forecasts, along with the primary economic forecast, are weighted 40% baseline, 30% optimistic, and 30% pessimistic in the March 31, 2023 ACL, unchanged since December 31, 2022. While the scenario weightings were unchanged, each forecast scenario reflected deterioration in certain economic variables over the reasonable and supportable forecast period when compared to the prior period. The primary economic forecast shaping the ACL estimate at March 31, 2023 included GDP growth in the low-single digits and an unemployment rate near mid-single digits.

Quantitative models have certain limitations with respect to estimating expected losses, particularly in times of rapidly changing macro-economic conditions and forecasts. As a result, management believes that the qualitative component of the ACL, which incorporates management’s expert judgment related to expected future credit losses, will continue to be an important component of the ACL for the foreseeable future. The March 31, 2023 ACL estimate includes adjustments to consider the impact of current and expected events or risks not captured by the loss forecasting models, the outcomes of which are uncertain and may not be completely considered by quantitative models. Refer to “Note 1. Basis of Presentation” in Truist’s Annual Report on Form 10-K for the year ended December 31, 2022 for additional information.

NPAs

The following table provides a summary of nonperforming loans and leases, excluding LHFS:

	March 31, 2023		December 31, 2022	
	Recorded Investment		Recorded Investment	
(Dollars in millions)	Without an ALLL	With an ALLL	Without an ALLL	With an ALLL
Commercial:				
Commercial and industrial	$ 68	$ 326	$ 120	$ 278
CRE	11	106	75	7
Commercial construction	—	1	—	—
Consumer:				
Residential mortgage	—	233	4	236
Home equity	1	131	2	171
Indirect auto	—	270	3	286
Other consumer	—	45	—	6
Total	$ 80	$ 1,112	$ 204	$ 984

The following table presents a summary of nonperforming assets and residential mortgage loans in the process of foreclosure:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Nonperforming loans and leases HFI	$ 1,192	$ 1,188
Foreclosed real estate	3	4
Other foreclosed property	66	58
Total nonperforming assets	$ 1,261	$ 1,250
Residential mortgage loans in the process of foreclosure	$ 226	$ 248

Loan Modifications

The following table summarizes the period-end amortized cost basis of loans to borrowers experiencing financial difficulty that were modified during the period, disaggregated by class of financing receivable and type of modification granted. This table includes modification activity that occurred on or after January 1, 2023. The volume of payment delay modifications is expected to increase throughout 2023 as the cumulative period over which such modifications are evaluated gradually extends to a full 12-month rolling period:

March 31, 2023 (Dollars in millions)	Renewals	Term Extensions	Capitalizations	Payment Delays	Combination - Interest Rate Reduction and Term Extension	Combination - Capitalization and Term Extension	Combination - Capitalization, Interest Rate and Term Extension	Other	Total Modified Loans	Percentage of Total Class of Financing Receivable
Commercial:										
Commercial and industrial	$ 390	$ 51	$ —	$ —	$ —	$ —	$ —	$ —	$ 441	0.26 %
CRE	103	—	—	71	—	—	—	—	174	0.77
Commercial construction	1	—	—	—	—	—	—	—	1	0.02
Consumer:										
Residential mortgage	—	29	32	25	1	92	20	4	203	0.36
Home equity	—	—	—	—	2	—	—	1	3	0.03
Indirect auto	—	5	—	5	5	—	—	6	21	0.08
Other consumer	—	5	—	—	1	—	—	1	7	0.03
Credit card	—	—	—	—	—	—	—	5	5	0.10
Total	$ 494	$ 90	$ 32	$ 101	$ 9	$ 92	$ 20	$ 17	$ 855	0.26

The table above excludes trial modifications totaling $64 million as of March 31, 2023. Such modifications will be included in the modification activity disclosure if the borrower successfully completes the trial period and the loan modification is finalized.

As of March 31, 2023, Truist had $353 million in unfunded lending commitments related to the modified obligations summarized in the table above.

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty:

For the Three Months Ended March 31, 2023	
Loan Type	**Financial Effect**
Renewals	
Commercial and industrial	Extended weighted average term by 4 months and increased the weighted average interest rate by 0.4%.
CRE	Extended weighted average term by 9 months and increased the weighted average interest rate by 0.1%.
Commercial construction	Extended weighted average term by 5 months.
Term Extensions	
Commercial and industrial	Extended weighted average term by 3 months.
Residential mortgage	Extended weighted average term by 158 months.
Indirect auto	Extended weighted average term by 25 months.
Other Consumer	Extended weighted average term by 25 months.
Capitalizations	
Residential mortgage	Capitalized $19 thousand on a weighted average basis into the outstanding balance of the loan.
Payment Delays	
CRE	Provided 233 days of payment deferral on a weighted average basis.
Residential mortgage	Provided 195 days of payment deferral on a weighted average basis.
Indirect auto	Provided 129 days of payment deferral on a weighted average basis.
Combination - Interest Rate Adjustment and Term Extension	
Residential mortgage	Extended weighted average term by 97 months and decreased the weighted average interest rate by 0.8%.
Home equity	Extended weighted average term by 318 months and decreased the weighted average interest rate by 2.3%.
Indirect auto	Extended weighted average term by 11 months and decreased the weighted average interest rate by 7%.
Other consumer	Extended weighted average term by 101 months and decreased the weighted average interest rate by 3%.
Combination - Capitalization and Term Extension	
Residential mortgage	Extended weighted average term by 111 months and capitalized $31 thousand on a weighted average basis into the outstanding loan balance.
Combination - Capitalization, Interest Rate and Term Extension	
Residential mortgage	Extended weighted average term by 82 months, decreased weighted average interest rate by 0.3% and capitalized $23 thousand on a weighted average basis into the outstanding loan balance.

Upon Truist’s determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

Truist closely monitors the performance of the loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table summarizes the delinquency status of loans that were modified during the quarter:

March 31, 2023 (Dollars in millions)	Payment Status (Amortized Cost Basis)			
	Current	30-89 Days Past Due	90 Days or More Past Due	Total
Commercial:				
Commercial and industrial	$ 406	$ 1	$ 34	$ 441
CRE	174	—	—	174
Commercial construction	1	—	—	1
Consumer:				
Residential mortgage	153	33	17	203
Home equity	3	—	—	3
Indirect auto	19	1	1	21
Other consumer	7	—	—	7
Credit card	3	1	1	5
Total	$ 766	$ 36	$ 53	$ 855
Total nonaccrual loans included above	$ 131	$ 10	$ 39	$ 180

The following table provides the amortized cost basis of financing receivables that were modified during the quarter that were in payment default:

March 31, 2023 (Dollars in millions)	Renewals	Term Extensions	Capitalizations	Payment Delays	Combination - Capitalization and Term Extension	Combination - Capitalization, Interest Rate and Term Extension	Other	Total
Commercial:								
Commercial and industrial	$ 34	$ —	$ —	$ —	$ —	$ —	$ —	34
Consumer:								
Residential mortgage	—	2	1	5	6	2	1	17
Indirect auto	—	—	—	—	—	—	1	1
Credit card	—	—	—	—	—	—	1	1
Total	$ 34	$ 2	$ 1	$ 5	$ 6	$ 2	$ 3	$ 53

TDRs

The following table presents a summary of TDRs:

(Dollars in millions)	Dec 31, 2022
Performing TDRs:	
Commercial:	
Commercial and industrial	$ 136
CRE	5
Commercial construction	1
Consumer:	
Residential mortgage	1,252
Home equity	51
Indirect auto	462
Other consumer	31
Student	30
Credit card	18
Total performing TDRs	1,986
Nonperforming TDRs	214
Total TDRs	$ 2,200
ALLL attributable to TDRs	$ 152

The primary type of modification for newly designated TDRs is summarized in the tables below. New TDR balances represent the recorded investment at the end of the quarter in which the modification was made. The prior quarter balance represents recorded investment at the beginning of the quarter in which the modification was made. Rate modifications consist of TDRs made with below market interest rates, including those that also have modifications of loan structures.

(Dollars in millions)	As of / For the Three Months Ended March 31, 2022 Type of Modification Rate	Structure	Prior Quarter Loan Balance	Related ALLL at Period End
Newly designated TDRs:				
Commercial	$ —	$ 8	$ 10	$ —
Consumer	148	191	329	15
Credit card	2	—	2	1
Re-modification of previously designated TDRs	21	11		

Unearned Income, Discounts, and Net Deferred Loan Fees and Costs

The following table presents additional information about loans and leases:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Unearned income, discounts, and net deferred loan fees and costs	$ 299	$ 269

NOTE 6. Goodwill and Other Intangible Assets

The Company performed a qualitative assessment of current events and circumstances, including macroeconomic and market factors, industry and banking sector events, Truist specific performance indicators, and a comparison of management's forecast and assumptions to those used in its October 1, 2022 qualitative impairment test. Truist concluded that it was not more-likely-than-not that the fair value of one or more of its reporting units is below its respective carrying amount as of March 31, 2023, and therefore no triggering event occurred that required a quantitative goodwill impairment test. Refer to "Note 1. Basis of Presentation" in Truist's Annual Report on Form 10-K for the year ended December 31, 2022 for additional information.

The changes in the carrying amount of goodwill attributable to operating segments are reflected in the table below. Activity during 2023 relates to the reorganization of Prime Rate Premium Finance Corporation. Activity during 2022 reflects the acquisition of BankDirect Capital Finance, BenefitMall, and Kensington Vanguard National Land Services. Refer to "Note 2. Business Combinations" in Truist's Annual Report on Form 10-K for the year ended December 31, 2022 for additional information on the acquisitions and "Note 18. Operating Segments" for additional information on segments.

(Dollars in millions)	CB&W	C&CB	IH	Total
Goodwill, January 1, 2022	$ 16,870	$ 6,149	$ 3,079	$ 26,098
Mergers and acquisitions	—	—	912	912
Adjustments and other	(5)	5	3	3
Goodwill, December 31, 2022	16,865	6,154	3,994	27,013
Adjustments and other	—	216	(215)	1
Goodwill, March 31, 2023	$ 16,865	$ 6,370	$ 3,779	$ 27,014

The following table, which excludes fully amortized intangibles, presents information for identifiable intangible assets:

(Dollars in millions)	March 31, 2023 Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	December 31, 2022 Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
CDI	$ 2,473	$ (1,465)	$ 1,008	$ 2,473	$ (1,403)	$ 1,070
Other, primarily client relationship intangibles	3,802	(1,275)	2,527	3,812	(1,210)	2,602
Total	$ 6,275	$ (2,740)	$ 3,535	$ 6,285	$ (2,613)	$ 3,672

NOTE 7. Loan Servicing

The Company acquires servicing rights, and retains servicing rights related to certain of its sales or securitizations of residential mortgages, commercial mortgages, and other consumer loans. Servicing rights are capitalized by the Company as Loan servicing rights on the Consolidated Balance Sheets. Income earned by the Company on its loan servicing rights is derived primarily from contractually specified servicing fees, late fees, net of curtailment costs, and other ancillary fees.

Residential Mortgage Activities

The following tables summarize residential mortgage servicing activities:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
UPB of residential mortgage loan servicing portfolio	$ 272,323	$ 274,028
UPB of residential mortgage loans serviced for others, primarily agency conforming fixed rate	214,830	217,046
Mortgage loans sold with recourse	200	200
Maximum recourse exposure from mortgage loans sold with recourse liability	128	127
Indemnification, recourse and repurchase reserves	55	56

As of / For the Three Months Ended March 31, (Dollars in millions)	2023	2022
UPB of residential mortgage loans sold from LHFS	$ 2,507	$ 8,818
Pre-tax gains recognized on mortgage loans sold and held for sale	16	39
Servicing fees recognized from mortgage loans serviced for others	163	145
Approximate weighted average servicing fee on the outstanding balance of residential mortgage loans serviced for others	0.27 %	0.31 %
Weighted average interest rate on mortgage loans serviced for others	3.52	3.41

The following table presents a roll forward of the carrying value of residential MSRs recorded at fair value:

Three Months Ended March 31, (Dollars in millions)	2023	2022
Residential MSRs, carrying value, January 1	$ 3,428	$ 2,305
Additions	44	147
Sales	(428)	—
Change in fair value due to changes in valuation inputs or assumptions(1)	(1)	350
Realization of expected net servicing cash flows, passage of time, and other	(57)	(110)
Residential MSRs, carrying value, March 31	$ 2,986	$ 2,692

(1) The first quarter of 2023 includes realized gains on the portfolio sale of excess servicing.

The sensitivity of the fair value of the Company's residential MSRs to changes in key assumptions is presented in the following table:

	March 31, 2023			December 31, 2022		
	Range		Weighted Average	Range		Weighted Average
(Dollars in millions)	Min	Max		Min	Max	
Prepayment speed	7.7 %	14.0 %	8.3 %	8.6 %	12.5 %	9.0 %
Effect on fair value of a 10% increase			$ (87)			$ (110)
Effect on fair value of a 20% increase			(167)			(211)
OAS	1.7 %	12.1 %	4.6 %	1.2 %	11.4 %	4.0 %
Effect on fair value of a 10% increase			$ (57)			$ (55)
Effect on fair value of a 20% increase			(111)			(108)
Composition of loans serviced for others:						
Fixed-rate residential mortgage loans			99.5 %			99.5 %
Adjustable-rate residential mortgage loans			0.5			0.5
Total			100.0 %			100.0 %
Weighted average life			7.1 years			6.8 years

The sensitivity calculations above are hypothetical and should not be considered predictive of future performance. As indicated, changes in fair value based on adverse changes in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in the above table, the effect of an adverse variation in one assumption on the fair value of the MSRs is calculated without changing any other assumption; while in reality, changes in one factor may result in changes in another, which may magnify or counteract the effect of the change. See "Note 15. Fair Value Disclosures" for additional information on the valuation techniques used.

Commercial Mortgage Activities

The following table summarizes commercial mortgage servicing activities:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
UPB of CRE mortgages serviced for others	$ 36,245	$ 36,622
CRE mortgages serviced for others covered by recourse provisions	9,829	9,955
Maximum recourse exposure from CRE mortgages sold with recourse liability	2,820	2,861
Recorded reserves related to recourse exposure	16	17
CRE mortgages originated during the year-to-date period	1,041	7,779
Commercial MSRs at fair value	291	301

NOTE 8. Other Assets and Liabilities

Lessee Operating and Finance Leases

The Company leases certain assets, consisting primarily of real estate, and assesses at contract inception whether a contract is, or contains, a lease. The following tables present additional information on leases, excluding leases related to the lease financing businesses:

	March 31, 2023		December 31, 2022	
(Dollars in millions)	Operating Leases	Finance Leases	Operating Leases	Finance Leases
ROU assets	$ 1,151	$ 19	$ 1,193	$ 20
Total lease liabilities	1,498	22	1,545	23
Weighted average remaining term	6.4 years	5.4 years	6.6 years	5.6 years
Weighted average discount rate	2.8 %	3.4 %	2.7 %	3.4 %

	Three Months Ended March 31,	
(Dollars in millions)	2023	2022
Operating lease costs	$ 82	$ 85

Lessor Operating Leases

The Company's two primary lessor businesses are equipment financing and structured real estate with income recorded in Operating lease income on the Consolidated Statements of Income. The following table presents a summary of assets under operating leases. This table excludes subleases on assets included in premises and equipment.

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Assets held under operating leases[1]	$ 2,090	$ 2,090
Accumulated depreciation	(554)	(550)
Net	$ 1,536	$ 1,540

(1) Includes certain land parcels subject to operating leases that have indefinite lives.

Bank-Owned Life Insurance

Bank-owned life insurance consists of life insurance policies held on certain teammates for which the Company is the beneficiary. The carrying value of bank-owned life insurance was $7.7 billion at March 31, 2023 and $7.6 billion at December 31, 2022.

NOTE 9. Borrowings

The following table presents a summary of short-term borrowings:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
FHLB advances	$ 18,900	$ 18,900
Securities sold under agreements to repurchase	2,122	2,128
Securities sold short	1,789	1,551
Collateral in excess of derivative exposures	455	403
Master notes	310	370
Other short-term borrowings	102	70
Total short-term borrowings	$ 23,678	$ 23,422

The following table presents a summary of long-term debt:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Truist Financial Corporation:		
Fixed rate senior notes	$ 16,059	$ 14,107
Floating rate senior notes	999	999
Fixed rate subordinated notes[1]	1,895	1,882
Capital notes[1]	626	625
Structured notes[2]	12	12
Truist Bank:		
Fixed rate senior notes	5,246	6,982
Floating rate senior notes	1,249	1,749
Fixed rate subordinated notes[1]	4,795	4,767
Fixed rate FHLB advances	2	2
Floating rate FHLB advances	37,800	10,800
Other long-term debt[3]	1,212	1,278
Total long-term debt	$ 69,895	$ 43,203

(1) Subordinated and capital notes with a remaining maturity of one year or greater qualify under the risk-based capital guidelines as Tier 2 supplementary capital, subject to certain limitations.
(2) Consist of notes with various terms that include fixed or floating rate interest or returns that are linked to an equity index.
(3) Includes debt associated with finance leases, tax credit investments, and other.

NOTE 10. Shareholders' Equity

Common Stock

The following table presents total dividends declared per share of common stock:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash dividends declared per share	$ 0.52	$ 0.48

NOTE 11. AOCI

AOCI includes the after-tax change in unrecognized net costs related to defined benefit pension and OPEB plans as well as unrealized gains and losses on cash flow hedges, AFS securities, and HTM securities transferred from AFS securities.

(Dollars in millions)	Pension and OPEB Costs	Cash Flow Hedges	AFS Securities	HTM Securities	Other, net	Total
AOCI balance, January 1, 2022	$ (86)	$ (9)	$ (1,510)	$ —	$ 1	$ (1,604)
OCI before reclassifications, net of tax	2	—	(5,036)	—	1	(5,033)
AFS Securities transferred to HTM, net of tax	—	—	2,872	(2,872)	—	—
Amounts reclassified from AOCI:						
Before tax	8	6	61	57	—	132
Tax effect	2	1	14	13	—	30
Amounts reclassified, net of tax	6	5	47	44	—	102
Total OCI, net of tax	8	5	(4,989)	44	1	(4,931)
AOCI balance, March 31, 2022	$ (78)	$ (4)	$ (3,627)	$ (2,828)	$ 2	$ (6,535)
AOCI balance, January 1, 2023	$ (1,535)	$ (78)	$ (9,395)	$ (2,588)	$ (5)	$ (13,601)
OCI before reclassifications, net of tax	(26)	125	903	—	1	1,003
Amounts reclassified from AOCI:						
Before tax	16	—	(65)	70	—	21
Tax effect	4	—	(15)	15	—	4
Amounts reclassified, net of tax	12	—	(50)	55	—	17
Total OCI, net of tax	(14)	125	853	55	1	1,020
AOCI balance, March 31, 2023	$ (1,549)	$ 47	$ (8,542)	$ (2,533)	$ (4)	$ (12,581)
Primary income statement location of amounts reclassified from AOCI	Other expense	Net interest income and Other expense	Securities gains (losses) and Net interest income	Net interest income	Net interest income	

NOTE 12. Income Taxes

For the three months ended March 31, 2023 and 2022, the provision for income taxes was $394 million and $330 million, respectively, representing effective tax rates of 20.6% and 18.9%, respectively. The higher effective tax rate for the three months ended March 31, 2023 was primarily due to higher income before taxes, discrete tax expense recognized in the current quarter compared to discrete tax benefits recognized in the three months ended March 31, 2022, and the adoption of the Investments in Tax Credit Structures accounting standard related to the proportional amortization of tax credit investments in the current quarter. Refer to “Note 1. Basis of Presentation” for additional information on the adoption of this guidance. The Company calculated the provision for income taxes by applying the estimated annual effective tax rate to year-to-date pre-tax income and adjusting for discrete items that occurred during the period.

NOTE 13. Benefit Plans

The components of net periodic (benefit) cost for defined benefit pension plans are summarized in the following table:

		Three Months Ended March 31,	
(Dollars in millions)	**Income Statement Location**	**2023**	**2022**
Service cost	Personnel expense	$ 93	$ 139
Interest cost	Other expense	111	88
Estimated return on plan assets	Other expense	(228)	(269)
Amortization and other	Other expense	20	8
Net periodic (benefit) cost		$ (4)	$ (34)

Truist makes contributions to the qualified pension plans up to the maximum amount deductible for federal income tax purposes. Discretionary contributions totaling $1.3 billion were made to the Truist pension plan during the three months ended March 31, 2023.

NOTE 14. Commitments and Contingencies

Truist utilizes a variety of financial instruments to mitigate exposure to risks and meet the financing needs and provide investment opportunities for clients. These financial instruments include commitments to extend credit, letters of credit and financial guarantees, derivatives, and other investments. Truist also has commitments to fund certain affordable housing investments and contingent liabilities related to certain sold loans.

Tax Credit and Certain Equity Investments

The Company invests as a limited partner in certain projects through the New Market Tax Credit program, which is a Federal financial program aimed to stimulate business and real estate investment in underserved communities via a Federal tax credit. Following the first quarter of 2023 adoption of the Investments in Tax Credit Structures accounting standard, these tax credits, referred to as "Other qualified tax credits" below, qualify for the proportional amortization method. Refer to "Note 1. Basis of Presentation" for additional information.

The following table summarizes certain tax credit and certain equity investments:

(Dollars in millions)	Balance Sheet Location	Mar 31, 2023	Dec 31, 2022
Investments in affordable housing projects and other qualified tax credits:			
Carrying amount	Other assets	$ 5,765	$ 5,869
Amount of future funding commitments included in carrying amount	Other liabilities	1,726	1,762
Lending exposure	Loans and leases for funded amounts	1,625	1,547
Renewable energy investments:			
Carrying amount	Other assets	272	264
Amount of future funding commitments not included in carrying amount	NA	444	361
SBIC and certain other equity method investments:			
Carrying amount	Other assets	597	596
Amount of future funding commitments not included in carrying amount	NA	597	532

The following table presents a summary of tax credits and amortization associated with the Company's tax credit investment activity. Activity related to the Company's renewable energy investments was immaterial.

		Three Months Ended March 31,	
(Dollars in millions)	Income Statement Location	2023	2022
Tax credits:			
Investments in affordable housing projects, other qualified tax credits, and other community development investments	Provision for income taxes	$ 157	$ 150
Amortization and other changes in carrying amount:			
Investments in affordable housing projects and other qualified tax credits(1)	Provision for income taxes	$ 148	$ 124
Other community development investments(1)	Other noninterest income	2	19

(1) In the first quarter of 2023, the Company adopted the Investments in Tax Credit Structures accounting standard. As a result, amortization related to these tax credits started being recognized in the Provision for income taxes as of the adoption of this standard. This activity was previously recognized in Other income. Refer to "Note 1. Basis of Presentation" for additional information.

Letters of Credit and Financial Guarantees

In the normal course of business, Truist utilizes certain financial instruments to meet the financing needs of clients and to mitigate exposure to risks. Such financial instruments include commitments to extend credit and certain contractual agreements, including standby letters of credit and financial guarantee arrangements.

The following is a summary of selected notional amounts of off-balance sheet financial instruments:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Commitments to extend, originate, or purchase credit and other commitments	$ 215,998	$ 216,838
Residential mortgage loans sold with recourse	200	200
CRE mortgages serviced for others covered by recourse provisions	9,829	9,955
Other loans serviced for others covered by recourse provisions	759	723
Letters of credit	6,158	6,030

Total Return Swaps

The Company facilitates matched book TRS transactions on behalf of clients, whereby a VIE purchases reference assets identified by a client and the Company enters into a TRS with the VIE, with a mirror-image TRS facing the client. The Company provides senior financing to the VIE in the form of demand notes to fund the purchase of the reference assets. Reference assets are typically fixed income instruments primarily composed of syndicated bank loans. The TRS contracts pass through interest and other cash flows on the reference assets to the third-party clients, along with exposing those clients to decreases in value on the assets and providing them with the rights to appreciation on the assets. The terms of the TRS contracts require the third parties to post initial margin collateral, as well as ongoing margin as the fair values of the underlying reference assets change. The following table provides a summary of the TRS transactions with VIE purchases. VIE assets include trading loans and bonds:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Total return swaps:		
VIE assets	$ 1,880	$ 1,830
Trading loans and bonds	1,801	1,790
VIE liabilities	118	163

The Company concluded that the associated VIEs should be consolidated because the Company has (i) the power to direct the activities that most significantly impact the economic performance of the VIE and (ii) the obligation to absorb losses and the right to receive benefits, which could potentially be significant. The activities of the VIEs are restricted to buying and selling the reference assets and the risks/benefits of any such assets owned by the VIEs are passed to the third-party clients via the TRS contracts. For additional information on TRS contracts and the related VIEs, see “Note 16. Derivative Financial Instruments.”

Pledged Assets

Certain assets were pledged to secure municipal deposits, securities sold under agreements to repurchase, certain derivative agreements, and borrowings or borrowing capacity, as well as to fund certain obligations related to nonqualified defined benefit and defined contribution retirement plans and for other purposes as required or permitted by law. Assets pledged to the FHLB and FRB are subject to applicable asset discounts when determining borrowing capacity. The Company has capacity for secured financing from both the FRB and FHLB and letters of credit from the FHLB. The Company’s letters of credit from the FHLB can be used to secure various client deposits, including public fund relationships. Excluding assets related to nonqualified benefit plans, the majority of the agreements governing the pledged assets do not permit the other party to sell or repledge the collateral. The following table provides the total carrying amount of pledged assets by asset type:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Pledged securities	$ 71,890	$ 38,012
Pledged loans:		
FRB	75,018	71,234
FHLB	70,766	68,988
Unused borrowing capacity:		
FRB	53,291	49,250
FHLB	24,678	20,770

Litigation and Regulatory Matters

Truist and/or its subsidiaries are routinely named as defendants in or parties to numerous actual or threatened legal proceedings, including civil litigation and regulatory investigations or enforcement matters, arising from the ordinary conduct of its regular business activities. The matters range from individual actions involving a single plaintiff to class action lawsuits with many class members and can involve claims for substantial or indeterminate alleged damages or for injunctive or other relief. Investigations may involve both formal and informal proceedings, by both governmental agencies and self-regulatory organizations, and could result in fines, penalties, restitution, and/or alterations in Truist’s business practices. These legal proceedings are at varying stages of adjudication, arbitration, or investigation and may consist of a variety of claims, including common law tort and contract claims, as well as statutory antitrust, securities, and consumer protection claims. The ultimate resolution of any proceeding and the timing of such resolution is uncertain and inherently difficult to predict. It is possible that the ultimate resolution of these matters, including those described below, if unfavorable, may be material to the consolidated financial position, consolidated results of operations, or consolidated cash flows of Truist, or cause significant reputational consequences.

Truist establishes accruals for legal matters when potential losses associated with the actions become probable and the amount of loss can be reasonably estimated. There is no assurance that the ultimate resolution of these matters will not significantly exceed the amounts that Truist has accrued. Accruals for legal matters are based on management’s best judgment after consultation with counsel and others.

The Company estimates reasonably possible losses, in excess of amounts accrued, of up to approximately $200 million as of March 31, 2023. This estimate does not represent Truist's maximum loss exposure, and actual losses may vary significantly. In addition, the matters underlying this estimate will change from time to time. Estimated losses are based upon currently available information and involve considerable judgment, given that claims often include significant legal uncertainties, damages alleged by plaintiffs are often unspecified or overstated, discovery may not have started or may not be complete, and material facts may be disputed or unsubstantiated, among other factors.

For certain matters, Truist may be unable to estimate the loss or range of loss, even if it believes that a loss is probable or reasonably possible, until developments in the case provide additional information sufficient to support such an estimate. Such matters are not accrued for and are not reflected in the estimate of reasonably possible losses.

The following is a description of certain legal proceedings in which Truist is involved:

Bickerstaff v. SunTrust Bank

This class action case was filed in the Fulton County State Court on July 12, 2010, and an amended complaint was filed on August 9, 2010. Plaintiff asserts that all overdraft fees charged to his account which related to debit card and ATM transactions are actually interest charges and therefore subject to the usury laws of Georgia. Plaintiff has brought claims for violations of civil and criminal usury laws, conversion, and money had and received, and seeks damages on a class-wide basis, including refunds of challenged overdraft fees and pre-judgment interest. On October 6, 2017, the trial court granted plaintiff's motion for class certification and defined the class as "Every Georgia citizen who had or has one or more accounts with SunTrust Bank and who, from July 12, 2006, to October 6, 2017 (i) had at least one overdraft of $500.00 or less resulting from an ATM or debit card transaction (the "Transaction"); (ii) paid any Overdraft Fees as a result of the Transaction; and (iii) did not receive a refund of those Fees," and the granting of a certified class was affirmed on appeal. The Company previously filed a motion to amend the class definition in which it sought to narrow the scope of the class and renewed motions to compel arbitration against certain class members, which the court found were premature. On September 22, 2022, the trial court entered a scheduling order holding that the court will consider such motions after discovery, which is ongoing, is completed. Trial is presently set to commence on April 29, 2024. The Company continues to believe that the underlying claims are without merit.

United Services Automobile Association v. Truist Bank

USAA filed a lawsuit on July 29, 2022 against the Company in the United States District Court for the Eastern District of Texas alleging that the Company's mobile remote deposit capture systems infringe certain patents held by USAA. The complaint seeks damages, including for alleged willful infringement and a corresponding request that the amount of actual damages be trebled, as well as injunctive and other equitable relief. The Company filed its answer and affirmative defenses on October 11, 2022, denying that it infringes any of the patents at issue in the lawsuit and asserting that USAA's patents are invalid or unenforceable. On December 30, 2022, the Company filed a motion for leave to amend its answer to assert counterclaims seeking damages as well as injunctive relief against USAA for infringing certain patents owned by the Company and practiced by USAA's mobile remote deposit capture systems, which motion was granted on April 8, 2023. On March 20, 2023, USAA filed a motion for leave to file an amended complaint which would add a claim that the Company's mobile remote deposit capture systems infringe an additional USAA patent. On April 14, 2023, USAA filed a motion seeking to sever Truist's counterclaims from the case. USAA's motions above are both pending. Discovery in the district court proceedings is ongoing, and trial is presently set to commence on March 18, 2024.

At the Patent Trial and Appeal Board, the Company filed separate petitions for inter partes review on October 11, November 7, and November 15, 2022 challenging the validity of each of the three patents asserted by USAA in the lawsuit. In addition, on April 13, 2023, the Company filed a petition for inter partes review challenging the validity of the fourth patent USAA is seeking to add to the lawsuit. If institution of any of the petitions for inter partes review is granted, the Patent Trial and Appeal Board will review the validity of the claims in the applicable patent(s).

NOTE 15. Fair Value Disclosures

Recurring Fair Value Measurements

Accounting standards define fair value as the price that would be received on the measurement date to sell an asset or the price paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants, with a three-level measurement hierarchy:

- Level 1: Quoted prices for identical instruments in active markets
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs are unobservable

The following tables present fair value information for assets and liabilities measured at fair value on a recurring basis:

March 31, 2023 (Dollars in millions)	Total	Level 1	Level 2	Level 3	Netting Adjustments[(1)]
Assets:					
Trading assets:					
U.S. Treasury	$ 120	$ —	$ 120	$ —	$ —
GSE	112	—	112	—	—
Agency MBS - residential	797	—	797	—	—
States and political subdivisions	293	—	293	—	—
Corporate and other debt securities	1,118	—	1,118	—	—
Loans	1,869	—	1,869	—	—
Other	292	260	32	—	—
Total trading assets	4,601	260	4,341	—	—
AFS securities:					
U.S. Treasury	10,441	—	10,441	—	—
GSE	301	—	301	—	—
Agency MBS - residential	55,175	—	55,175	—	—
Agency MBS - commercial	2,398	—	2,398	—	—
States and political subdivisions	425	—	425	—	—
Non-agency MBS	3,098	—	3,098	—	—
Other	20	—	20	—	—
Total AFS securities	71,858	—	71,858	—	—
LHFS at fair value	1,911	—	1,911	—	—
Loans and leases	17	—	—	17	—
Loan servicing rights at fair value	3,303	—	—	3,303	—
Other assets:					
Derivative assets	692	625	1,816	13	(1,762)
Equity securities	857	757	100	—	—
Total assets	$ 83,239	$ 1,642	$ 80,026	$ 3,333	$ (1,762)
Liabilities:					
Derivative liabilities	$ 2,589	$ 394	$ 3,971	$ 31	$ (1,807)
Securities sold short	1,789	113	1,676	—	—
Total liabilities	$ 4,378	$ 507	$ 5,647	$ 31	$ (1,807)

December 31, 2022 (Dollars in millions)	Total	Level 1	Level 2	Level 3	Netting Adjustments[1]
Assets:					
Trading assets:					
U.S. Treasury	$ 137	$ —	$ 137	$ —	$ —
GSE	457	—	457	—	—
Agency MBS - residential	804	—	804	—	—
Agency MBS - commercial	62	—	62	—	—
States and political subdivisions	422	—	422	—	—
Corporate and other debt securities	761	—	761	—	—
Loans	1,960	—	1,960	—	—
Other	302	261	41	—	—
Total trading assets	4,905	261	4,644	—	—
AFS securities:					
U.S. Treasury	10,295	—	10,295	—	—
GSE	303	—	303	—	—
Agency MBS - residential	55,225	—	55,225	—	—
Agency MBS - commercial	2,424	—	2,424	—	—
States and political subdivisions	416	—	416	—	—
Non-agency MBS	3,117	—	3,117	—	—
Other	21	—	21	—	—
Total AFS securities	71,801	—	71,801	—	—
LHFS at fair value	1,065	—	1,065	—	—
Loans and leases	18	—	—	18	—
Loan servicing rights at fair value	3,758	—	—	3,758	—
Other assets:					
Derivative assets	684	472	1,980	1	(1,769)
Equity securities	898	796	102	—	—
Total assets	$ 83,129	$ 1,529	$ 79,592	$ 3,777	$ (1,769)
Liabilities:					
Derivative liabilities	$ 2,971	$ 364	$ 4,348	$ 37	$ (1,778)
Securities sold short	1,551	114	1,437	—	—
Total liabilities	$ 4,522	$ 478	$ 5,785	$ 37	$ (1,778)

(1) Refer to “Note 16. Derivative Financial Instruments” for additional discussion on netting adjustments.

At March 31, 2023 and December 31, 2022, investments totaling $367 million and $385 million, respectively, have been excluded from the table above as they are valued based on net asset value as a practical expedient. These investments primarily consist of certain SBIC funds.

For additional information on the valuation techniques and significant inputs for Level 2 and Level 3 assets and liabilities that are measured at fair value on a recurring basis, see “Note 18. Fair Value Disclosures” of the Annual Report on Form 10-K for the year ended December 31, 2022.

Activity for Level 3 assets and liabilities is summarized below:

Three Months Ended March 31, 2023 and 2022 (Dollars in millions)	Loans and Leases	Loan Servicing Rights	Net Derivatives
Balance at January 1, 2022	$ 23	$ 2,633	$ (12)
Total realized and unrealized gains (losses):			
Included in earnings	—	357	(170)
Issuances	—	158	17
Settlements	—	(135)	91
Transfers out of level 3 and other	(2)	—	—
Balance at March 31, 2022	$ 21	$ 3,013	$ (74)
Balance at January 1, 2023	$ 18	$ 3,758	$ (36)
Total realized and unrealized gains (losses):			
Included in earnings	—	(5)	(2)
Issuances	—	48	(2)
Sales	—	(428)	—
Settlements	(1)	(70)	22
Balance at March 31, 2023	$ 17	$ 3,303	$ (18)
Change in unrealized gains (losses) included in earnings for the period, attributable to assets and liabilities still held at March 31, 2023	$ —	$ (54)	$ (5)

Fair Value Option

The following table details the fair value and UPB of certain loans that were elected to be measured at fair value:

	March 31, 2023			December 31, 2022		
(Dollars in millions)	Fair Value	UPB	Difference	Fair Value	UPB	Difference
Trading loans	$ 1,869	$ 1,989	$ (120)	$ 1,960	$ 2,101	$ (141)
Loans and leases	17	19	(2)	18	20	(2)
LHFS at fair value	1,911	1,883	28	1,065	1,056	9

Nonrecurring Fair Value Measurements

The following table provides information about certain assets measured at fair value on a nonrecurring basis still held as of period end. The carrying values represent end of period values, which approximate the fair value measurements that occurred on the various measurement dates throughout the period. These assets are considered to be Level 3 assets.

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Carrying value:		
LHFS	$ 127	$ 271
Loans and leases	434	500
Other	98	120

The following table provides information about valuation adjustments for certain assets measured at fair value on a nonrecurring basis. The valuation adjustments represent the amounts recorded during the period regardless of whether the asset is still held at period end.

	Three Months Ended March 31,	
(Dollars in millions)	2023	2022
Valuation adjustments:		
LHFS	$ —	$ (3)
Loans and leases	(166)	(97)
Other[(1)]	(44)	(29)

(1) Prior period amounts were revised.

LHFS with valuation adjustments in the table above consisted primarily of residential mortgages and commercial loans that were valued using market prices and measured at LOCOM. The table above excludes $122 million and $108 million of LHFS carried at cost at March 31, 2023 and December 31, 2022, respectively, that did not require a valuation adjustment during the period. The remainder of LHFS is carried at fair value.

Loans and leases consist of larger commercial loans and leases that are collateral-dependent and other secured loans and leases that have been charged-off to the fair value of the collateral. Valuation adjustments for loans and leases are primarily recorded in the Provision for credit losses in the Consolidated Statement of Income. Refer to “Note 1. Basis of Presentation” in Truist’s Annual Report on Form 10-K for the year ended December 31, 2022 for additional discussion of individually evaluated loans and leases.

Other includes foreclosed real estate, other foreclosed property, ROU assets, premises and equipment, and OREO, and consists primarily of residential homes, commercial properties, vacant lots, and automobiles. ROU assets are measured based on the fair value of the assets, which considers the potential for sublease income. The remaining assets are measured at LOCOM, less costs to sell.

Financial Instruments Not Recorded at Fair Value

For financial instruments not recorded at fair value, estimates of fair value are based on relevant market data and information about the instruments. Values obtained relate to trading without regard to any premium or discount that may result from concentrations of ownership, possible tax ramifications, estimated transaction costs that may result from bulk sales or the relationship between various instruments.

An active market does not exist for certain financial instruments. Fair value estimates for these instruments are based on current economic conditions and interest rate risk characteristics, loss experience and other factors. Many of these estimates involve uncertainties and matters of significant judgment and cannot be determined with precision. Therefore, the fair value estimates in many instances cannot be substantiated by comparison to independent markets. In addition, changes in assumptions could significantly affect these fair value estimates. Financial assets and liabilities not recorded at fair value are summarized below:

		March 31, 2023		December 31, 2022	
(Dollars in millions)	**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets:					
HTM securities	Level 2	$ 56,932	$ 48,097	$ 57,713	$ 47,791
Loans and leases HFI, net of ALLL	Level 3	323,177	312,107	321,596	308,738
Financial liabilities:					
Time deposits	Level 2	32,326	32,140	23,474	23,383
Long-term debt	Level 2	69,895	65,114	43,203	40,951

The carrying value of the RUFC, which approximates the fair value of unfunded commitments, was $282 million and $272 million at March 31, 2023 and December 31, 2022, respectively.

NOTE 16. Derivative Financial Instruments

Impact of Derivatives on the Consolidated Balance Sheets

The following table presents the gross notional amounts and estimated fair value of derivative instruments employed by the Company:

	March 31, 2023			December 31, 2022		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
(Dollars in millions)		Assets	Liabilities		Assets	Liabilities
Cash flow hedges:						
Interest rate contracts:						
Swaps hedging commercial loans	$ 19,400	$ —	$ —	$ 16,650	$ —	$ —
Fair value hedges:						
Interest rate contracts:						
Swaps hedging long-term debt	16,018	—	(53)	16,393	—	(68)
Swaps hedging AFS securities	7,097	—	—	7,097	—	—
Total	23,115	—	(53)	23,490	—	(68)
Not designated as hedges:						
Client-related and other risk management:						
Interest rate contracts:						
Swaps	160,381	625	(2,169)	155,670	579	(2,665)
Options	42,648	171	(166)	29,840	172	(192)
Forward commitments	791	2	(10)	1,495	8	(2)
Other	3,092	8	(7)	3,823	1	—
Equity contracts	34,979	727	(1,109)	33,185	644	(901)
Credit contracts:						
Trading assets	160	—	—	140	—	—
Loans and leases	780	—	(1)	394	—	—
Risk participation agreements	7,156	—	(3)	6,824	—	(3)
Total return swaps	1,793	71	(6)	1,729	81	(2)
Foreign exchange contracts	21,527	300	(304)	19,022	364	(380)
Commodity	7,534	454	(450)	4,881	444	(447)
Total	280,841	2,358	(4,225)	257,003	2,293	(4,592)
Mortgage banking:						
Interest rate contracts:						
Swaps	227	—	—	115	—	—
Interest rate lock commitments	1,837	12	(12)	999	1	(17)
When issued securities, forward rate agreements and forward commitments	3,470	15	(17)	2,128	25	(6)
Other	243	1	—	140	1	—
Total	5,777	28	(29)	3,382	27	(23)
MSRs:						
Interest rate contracts:						
Swaps	14,329	—	—	14,566	—	—
Options	15,089	53	(85)	13,930	122	(48)
When issued securities, forward rate agreements and forward commitments	2,184	14	(3)	2,459	11	(15)
Other	2,268	1	(1)	1,532	—	(3)
Total	33,870	68	(89)	32,487	133	(66)
Total derivatives not designated as hedges	320,488	2,454	(4,343)	292,872	2,453	(4,681)
Total derivatives	$ 363,003	2,454	(4,396)	$ 333,012	2,453	(4,749)
Gross amounts in the Consolidated Balance Sheets:						
Amounts subject to master netting arrangements		(1,251)	1,251		(1,223)	1,223
Cash collateral (received) posted for amounts subject to master netting arrangements		(511)	556		(546)	555
Net amount		$ 692	$ (2,589)		$ 684	$ (2,971)

The following table presents the offsetting of derivative instruments including financial instrument collateral related to legally enforceable master netting agreements and amounts held or pledged as collateral. U.S. GAAP does not permit netting of non-cash collateral balances in the Consolidated Balance Sheets:

March 31, 2023 (Dollars in millions)	Gross Amount	Amount Offset	Net Amount in Consolidated Balance Sheets	Held/Pledged Financial Instruments	Net Amount
Derivative assets:					
Derivatives subject to master netting arrangement or similar arrangement	$ 1,722	$ (1,370)	$ 352	$ —	$ 352
Derivatives not subject to master netting arrangement or similar arrangement	107	—	107	—	107
Exchange traded derivatives	625	(392)	233	—	233
Total derivative assets	$ 2,454	$ (1,762)	$ 692	$ —	$ 692
Derivative liabilities:					
Derivatives subject to master netting arrangement or similar arrangement	$ (3,431)	$ 1,415	$ (2,016)	$ 95	$ (1,921)
Derivatives not subject to master netting arrangement or similar arrangement	(572)	—	(572)	—	(572)
Exchange traded derivatives	(393)	392	(1)	—	(1)
Total derivative liabilities	$ (4,396)	$ 1,807	$ (2,589)	$ 95	$ (2,494)

December 31, 2022 (Dollars in millions)	Gross Amount	Amount Offset	Net Amount in Consolidated Balance Sheets	Held/Pledged Financial Instruments	Net Amount
Derivative assets:					
Derivatives subject to master netting arrangement or similar arrangement	$ 1,895	$ (1,408)	$ 487	$ —	$ 487
Derivatives not subject to master netting arrangement or similar arrangement	86	—	86	—	86
Exchange traded derivatives	472	(361)	111	—	111
Total derivative assets	$ 2,453	$ (1,769)	$ 684	$ —	$ 684
Derivative liabilities:					
Derivatives subject to master netting arrangement or similar arrangement	$ (3,688)	$ 1,417	$ (2,271)	$ 43	$ (2,228)
Derivatives not subject to master netting arrangement or similar arrangement	(697)	—	(697)	—	(697)
Exchange traded derivatives	(364)	361	(3)	—	(3)
Total derivative liabilities	$ (4,749)	$ 1,778	$ (2,971)	$ 43	$ (2,928)

The following table presents the carrying value of hedged items in fair value hedging relationships:

	March 31, 2023			December 31, 2022		
		Hedge Basis Adjustment			Hedge Basis Adjustment	
(Dollars in millions)	Hedged Asset / Liability Basis	Items Currently Designated	Discontinued Hedges	Hedged Asset / Liability Basis	Items Currently Designated	Discontinued Hedges
AFS securities[(1)]	$ 38,761	$ (534)	$ (4)	$ 38,773	$ (630)	$ (4)
Loans and leases	350	—	9	353	—	10
Long-term debt	27,385	(303)	(134)	25,378	(780)	218

(1) The amortized cost of AFS securities was $45.5 billion at March 31, 2023 and $46.2 billion at December 31, 2022.

Impact of Derivatives on the Consolidated Statements of Income and Comprehensive Income

Derivatives Designated as Hedging Instruments under GAAP

No portion of the change in fair value of derivatives designated as hedges has been excluded from effectiveness testing.

The following table summarizes amounts related to cash flow hedges, which consist of interest rate contracts:

(Dollars in millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Pre-tax gain (loss) recognized in OCI:		
Commercial loans	$ 163	$ —
Pre-tax gain (loss) reclassified from AOCI into interest expense:		
Long-term debt	$ —	$ (6)

The following table summarizes the impact on net interest income related to fair value hedges:

(Dollars in millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Investment securities:		
Amounts related to interest settlements	$ 76	$ (5)
Recognized on derivatives	(95)	414
Recognized on hedged items	106	(402)
Net income (expense) recognized[(1)]	87	7
Loans and leases:		
Recognized on hedged items	(1)	(1)
Net income (expense) recognized	(1)	(1)
Long-term debt:		
Amounts related to interest settlements	(46)	16
Recognized on derivatives	156	(429)
Recognized on hedged items	(142)	486
Net income (expense) recognized	(32)	73
Net income (expense) recognized, total	$ 54	$ 79

(1) Includes $10 million and $8 million of income recognized for the three months ended March 31, 2023 and 2022, respectively, from securities with terminated hedges that were reclassified to HTM. The income recognized was offset by the amortization of the fair value mark.

The following table presents information about the Company's cash flow and fair value hedges:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Cash flow hedges:		
Net unrecognized after-tax gain (loss) on active hedges recorded in AOCI	$ 6	$ (118)
Net unrecognized after-tax gain (loss) on terminated hedges recorded in AOCI (to be recognized in earnings through 2029)	41	40
Estimated portion of net after-tax gain (loss) on active and terminated hedges to be reclassified from AOCI into earnings during the next 12 months	(54)	(31)
Maximum time period over which Truist is hedging a portion of the variability in future cash flows for forecasted transactions excluding those transactions relating to the payment of variable interest on existing instruments	6 years	6 years
Fair value hedges:		
Unrecognized pre-tax net gain (loss) on terminated hedges (to be recognized as interest primarily through 2033)(1)	$ 308	$ 669
Portion of pre-tax net gain (loss) on terminated hedges to be recognized as a change in interest during the next 12 months	52	163

(1) Includes deferred gains that are recorded in AOCI as a result of the reclassification to HTM of previously hedged securities of $447 million at March 31, 2023 and $457 million at December 31, 2022.

<u>Derivatives Not Designated as Hedging Instruments under GAAP</u>

The Company also enters into derivatives that are not designated as accounting hedges under GAAP to economically hedge certain risks as well as in a trading capacity with its clients.

The following table presents pre-tax gain (loss) recognized in income for derivative instruments not designated as hedges:

		Three Months Ended March 31,	
(Dollars in millions)	Income Statement Location	2023	2022
Client-related and other risk management:			
Interest rate contracts	Investment banking and trading income and other income	$ 34	$ 56
Foreign exchange contracts	Investment banking and trading income and other income	(3)	32
Equity contracts	Investment banking and trading income and other income	2	5
Credit contracts	Investment banking and trading income and other income	(33)	8
Commodity contracts	Investment banking and trading income	10	5
Mortgage banking:			
Interest rate contracts - residential	Mortgage banking income	(1)	261
Interest rate contracts - commercial	Mortgage banking income	1	(1)
MSRs:			
Interest rate contracts - residential	Mortgage banking income	1	(349)
Interest rate contracts - commercial	Mortgage banking income	3	(9)
Total		$ 14	$ 8

Credit Derivative Instruments

As part of the Company's corporate and investment banking business, the Company enters into contracts that are, in form or substance, written guarantees; specifically, risk participations, TRS, and credit default swaps. The Company accounts for these contracts as derivatives.

Truist has entered into risk participation agreements to share the credit exposure with other financial institutions on client-related interest rate derivative contracts. Under these agreements, the Company has guaranteed payment to a dealer counterparty in the event the counterparty experiences a loss on the derivative due to a failure to pay by the counterparty's client. The Company manages its payment risk on its risk participations by monitoring the creditworthiness of the underlying client through the normal credit review process that the Company would have performed had it entered into a derivative directly with the obligors. At March 31, 2023, the remaining terms on these risk participations ranged from less than one year to 15 years. The potential future exposure represents the Company's maximum estimated exposure to written risk participations, as measured by projecting a maximum value of the guaranteed derivative instruments based on scenario simulations and assuming 100% default by all obligors on the maximum value.

The Company has also entered into TRS contracts on loans and bonds. To mitigate its credit risk, the Company typically receives initial margin from the counterparty upon entering into the TRS and variation margin if the fair value of the underlying reference assets deteriorates. For additional information on the Company's TRS contracts, see "Note 14. Commitments and Contingencies."

The Company enters into credit default swaps to hedge credit risk associated with certain loans and leases. The Company accounts for these contracts as derivatives, and accordingly, recognizes these contracts at fair value.

The following table presents additional information related to interest rate derivative risk participation agreements and total return swaps:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Risk participation agreements:		
Maximum potential amount of exposure	$ 618	$ 575
Total return swaps:		
Cash collateral held	473	453

The following table summarizes collateral positions with counterparties:

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Dealer and other counterparties:		
Cash and other collateral received from counterparties	$ 511	$ 542
Derivatives in a net gain position secured by collateral received	586	618
Unsecured positions in a net gain with counterparties after collateral postings	75	76
Cash collateral posted to counterparties	636	590
Derivatives in a net loss position secured by collateral	809	692
Central counterparties clearing:		
Cash collateral, including initial margin, received from central clearing parties	—	4
Cash collateral, including initial margin, posted to central clearing parties	85	45
Derivatives in a net loss position	19	13
Derivatives in a net gain position	1	12
Securities pledged to central counterparties clearing	933	639

NOTE 17. Computation of EPS

Basic and diluted EPS calculations are presented in the following table:

	Three Months Ended March 31,	
(Dollars in millions, except per share data, shares in thousands)	2023	2022
Net income available to common shareholders	$ 1,410	$ 1,327
Weighted average number of common shares	1,328,602	1,329,037
Effect of dilutive outstanding equity-based awards	10,878	12,526
Weighted average number of diluted common shares	1,339,480	1,341,563
Basic EPS	$ 1.06	$ 1.00
Diluted EPS	$ 1.05	$ 0.99
Anti-dilutive awards	621	—

NOTE 18. Operating Segments

Truist operates and measures business activity across three segments: CB&W, C&CB, and IH, with functional activities included in OT&C. The Company’s business segment structure is based on the manner in which financial information is evaluated by management as well as the products and services provided or the type of client served. For additional information, see “Note 21. Operating Segments” of the Annual Report on Form 10-K for the year ended December 31, 2022.

During the first quarter of 2023, Truist reorganized Prime Rate Premium Finance Corporation, which includes AFCO Credit Corporation and CAFO Holding Company, into the C&CB segment from the IH segment. Prior period results have been revised to conform to the current presentation.

The following table presents results by segment:

Three Months Ended March 31, (Dollars in millions)	CB&W		C&CB		IH		OT&C[1]		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net interest income (expense)	$ 1,601	$ 1,528	$ 2,308	$ 1,118	$ 1	$ 1	$ (42)	$ 536	$ 3,868	$ 3,183
Net intersegment interest income (expense)	1,139	656	(556)	171	13	2	(596)	(829)	—	—
Segment net interest income	2,740	2,184	1,752	1,289	14	3	(638)	(293)	3,868	3,183
Allocated provision for credit losses	274	74	232	(150)	—	—	(4)	(19)	502	(95)
Segment net interest income after provision	2,466	2,110	1,520	1,439	14	3	(634)	(274)	3,366	3,278
Noninterest income	873	910	630	656	817	733	(86)	(157)	2,234	2,142
Amortization of intangibles	69	73	31	33	36	30	—	1	136	137
Other noninterest expense	1,900	1,812	812	755	648	516	195	454	3,555	3,537
Income (loss) before income taxes	1,370	1,135	1,307	1,307	147	190	(915)	(886)	1,909	1,746
Provision (benefit) for income taxes	326	274	273	284	36	47	(241)	(275)	394	330
Segment net income (loss)	$ 1,044	$ 861	$ 1,034	$ 1,023	$ 111	$ 143	$ (674)	$ (611)	$ 1,515	$ 1,416
Identifiable assets (period end)	$168,701	$159,939	$213,143	$188,806	$ 7,263	$ 6,494	$185,247	$188,740	$574,354	$543,979

(1) Includes financial data from business units below the quantitative and qualitative thresholds requiring disclosure.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MD&A is intended to assist readers in their analysis of the accompanying Consolidated Financial Statements and supplemental financial information. It should be read in conjunction with the Consolidated Financial Statements, the accompanying Notes to the Consolidated Financial Statements in this Form 10-Q, other information contained in this document, as well as with Truist's Annual Report on Form 10-K for the year ended December 31, 2022.

A description of certain factors that may affect our future results and risk factors is set forth in Part I, Item 1A-Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022.

Regulatory Considerations

The regulatory framework applicable to banking organizations is intended primarily for the protection of depositors and the stability of the financial system, rather than for the protection of shareholders and creditors. Truist is subject to banking laws and regulations, and various other laws and regulations, which affect the operations and management of Truist and its ability to make distributions to shareholders. Truist and its subsidiaries are also subject to supervision and examination by multiple regulators. The descriptions below summarize updates since the filing of the Annual Report on Form 10-K for the year ended December 31, 2022 to state and federal laws to which Truist is subject. These descriptions do not summarize all possible or proposed changes in current laws or regulations and are not intended to be a substitute for the related statues or regulatory provisions. Refer to Truist's Annual Report on Form 10-K for the year ended December 31, 2022 for additional disclosures.

In March 2023, the FRB created the Bank Term Funding Program to support American businesses and households by making additional funding available to eligible depository institutions. This program offers loans up to one year in length to banks, savings associations, credit unions, and other eligible depository institutions pledging any collateral eligible for purchase by the FRB in open market operations, such as U.S. Treasuries, U.S. agency securities, and U.S. agency mortgage-backed securities. These assets will be valued at par.

In the aftermath of the recent bank failures, we expect that the banking agencies will propose certain actions, including reforms that may impose different capital and liquidity requirements, including increased requirements to issue long term debt. In addition, there may be special assessments to repay losses to the FDIC's Deposit Insurance Fund. It is not yet possible to quantify the impact of these potential actions.

Executive Overview

In a challenging and unique quarter for the banking industry, Truist demonstrated strength and leadership that reflects our diverse business model, granular and relationship-oriented deposit base, and strong capital and liquidity position. Truist has significant access to liquidity and a very robust liquidity management process that includes internal and external stress testing, as well as real-time monitoring of our liquidity position. We also closed on the sale of a 20% minority stake in Truist Insurance Holdings, LLC on April 3, 2023, which provides strategic and financial flexibility for both Truist and Truist Insurance Holdings.

We continued to experience the benefits of our shift from integrating to operating, including improving organic production and integrated relationship management momentum, although these benefits were offset by higher-than-expected funding costs. Asset quality metrics remain strong, and we prudently increased our ALLL ratio by three basis points to reflect increased economic uncertainty.

Our focus on clients was unwavering during the first quarter of 2023. Our teammates continue to care for our clients and stakeholders and live our purpose to inspire and build better lives and communities. Truist continues to be a source of strength and stability for our clients and communities.

Truist made a $1 billion uninsured time deposit in First Republic Bank during the first quarter joining the nation's largest financial intuitions to show support for the U.S. banking system and the economy. On Monday, May 1, 2023, JPMorgan Chase Bank, National Association assumed all of the deposits and purchased the substantial majority of assets of First Republic Bank from the FDIC. JPMorgan Chase Bank, National Association has indicated that the deposit Truist made at First Republic Bank will be repaid post-closing of the transaction.

Detailed below are actions that we have taken to fulfill our purpose to inspire and build better lives and communities, followed by a discussion of our financial results for the first quarter of 2023.

- Made meaningful improvement in our client experience, with Voice of the Client metrics rising since the second quarter of 2022, and continued positive momentum with branch satisfaction scores in the first quarter of 2023
- Opened T3 Accelerator Lab in the Innovation & Technology Center where we're redefining the client and teammate experience, putting feedback and ideas to the test in real-world scenarios before rolling out to clients

- Continued growth for Truist Momentum, Truist's financial wellness program
- Published 2022 Corporate Responsibility Report, TCFD Report, and ESG Disclosure Summary, highlighting our progress across multiple dimensions including community, financial inclusion, DEI, and climate and energy
  - We made important progress on our sustainability commitments through 2022, including our goal of achieving a 35% reduction in both Scope 1 and Scope 2 emissions by 2030 from our baseline year of 2019. We reduced Scope 1 emissions by 17% and Scope 2 emissions by 26%.
- Successfully migrated certain consumer and small business credit cards to a new processing platform
- Announced a new goal to increase female and ethnically diverse representation in leadership roles by 15% and 20%, respectively, by 2025
- Committed $282 million from Truist Community Capital to support affordable housing and job creation in underserved communities and $22 million through Truist Foundation for a multiyear program to strengthen small businesses and create career pathways for ethnically diverse individuals and entrepreneurs
- We are also in the process of realigning our LightStream platforms with our broader consumer business, with the goal of bringing the innovation, digital capabilities, efficiencies, and certain cloud-based infrastructure of LightStream to the broader Truist client base

Financial Results

Net income available to common shareholders for the first quarter of 2023 of $1.4 billion was up 6.3% compared with the first quarter of 2022. On a diluted per common share basis, earnings for the first quarter of 2023 were $1.05, an increase of $0.06, or 6.1%, compared to the first quarter of 2022. Truist's results of operations for the first quarter of 2023 produced an annualized return on average assets of 1.10% and an annualized return on average common shareholders' equity of 10.3% compared to prior year returns of 1.07% and 9.0%, respectively.

- Results for the first quarter of 2023 included merger-related and restructuring charges of $63 million ($48 million after-tax, or $0.04 per share).
- Results for the first quarter of 2022 included $216 million ($166 million after-tax, or $0.12 per share) of merger-related and restructuring charges, $202 million ($155 million after-tax, or $0.12 per share) of incremental operating expenses related to the Merger, a gain on the redemption of noncontrolling equity interest of $74 million ($57 million after-tax, or $0.04 per share) related to the acquisition of certain merchant services relationships, and net losses on the sales of securities of $69 million ($53 million after-tax, or $0.04 per share).

Taxable-equivalent net interest income for the first quarter of 2023 was up $710 million, or 22%, compared to the first quarter of 2022 primarily due to higher short-term interest rates and strong loan growth, alongside well controlled deposit costs. These increases were partially offset by lower purchase accounting accretion and PPP revenue. Net interest margin was 3.17%, up 41 basis points.

- The yield on the total loan portfolio was 5.81%, up 212 basis points, primarily reflecting higher market interest rates, partially offset by lower purchase accounting accretion and PPP revenue. The yield on the average securities portfolio was 2.14%, up 46 basis points primarily due to the higher rate environment. The average cost of total deposits was 1.12%, up 109 basis points.
- The average cost of short-term borrowings was 4.69%, up 409 basis points. The average cost of long-term debt was 4.05%, up 255 basis points. The increase in rates on deposits and other funding sources was largely attributable to the higher rate environment.

Noninterest income was up $92 million, or 4.3%, compared to the first quarter of 2022 due to 12% growth in insurance income, higher mortgage banking income, higher fees from lending-related activities and card and payment related activities. These items were partially offset by lower other income. The first quarter of 2022 included $69 million of securities losses and a $74 million gain on the redemption of noncontrolling equity interest (included in other income).

Noninterest expense was up $17 million, or 0.5%, compared to the first quarter of 2022 due to higher personnel expense, other expense, and regulatory costs. These increases were partially offset by lower merger-related and restructuring charges and professional fees and outside processing expenses. Merger-related and restructuring charges and incremental operating expenses related to the merger decreased $153 million and $202 million, respectively, due to the completion of integration-related activities. Adjusted noninterest expenses, which exclude merger-related costs and the amortization of intangibles increased $373 million, or 12%.

The provision for income taxes was $394 million for the first quarter of 2023, compared to $330 million for the earlier quarter. The effective tax rate for the first quarter of 2023 was 20.6%, compared to 18.9% for the earlier quarter.

Asset quality remains excellent, reflecting Truist's prudent risk culture and diverse portfolio. Nonperforming loans and leases held for investment were 0.36% of loans and leases held for investment at March 31, 2023, flat compared to December 31, 2022.

- The allowance for credit losses was $4.8 billion and includes $4.5 billion for the allowance for loan and lease losses and $282 million for the reserve for unfunded commitments. The ALLL ratio was 1.37%, up three basis points compared with December 31, 2022 primarily due to increased economic uncertainty.
- The provision for credit losses was $502 million compared to a benefit of $95 million for the first quarter of 2022. The increase in the current quarter provision expense primarily reflects increased economic uncertainty in the current period, whereas the earlier quarter included a reserve release due to the improving credit environment during that period.
- The net charge-off ratio was 37 basis points, up 12 basis points compared to the first quarter of 2022 driven by higher charge-offs in the indirect auto and other consumer portfolios due to normalizing trends, as well as an increase in the commercial and industrial portfolio.

Capital and liquidity remained strong compared to the regulatory requirements for well capitalized banks.

- Truist CET1 ratio was 9.1% as of March 31, 2023. The increase since December 31, 2022 represents organic capital generation, partially offset by the CECL phase-in.
- Truist closed the sale of the minority stake in TIH on April 3, 2023, which adds 30 basis points to the risk-based regulatory capital ratios.
- Truist declared common dividends of $0.52 per share during the first quarter of 2023. The dividend payout ratio for the first quarter of 2023 was 49%. Truist did not repurchase any shares in the first quarter of 2023.
- Truist’s average consolidated LCR was 113% for the three months ended March 31, 2023, compared to the regulatory minimum of 100%.
- Truist has significant and strong access to liquidity with $166 billion of available liquidity as of March 31, 2023.
- Truist increased its cash position in response to market events.
- AOCI improved by $1.0 billion, or 7.5%, since December 31, 2022.

Analysis of Results of Operations

Net Interest Income and NIM

Taxable-equivalent net interest income for the first quarter of 2023 was up $710 million, or 22%, compared to the first quarter of 2022 primarily due to higher short-term interest rates and strong loan growth, alongside well controlled deposit costs. These increases were partially offset by lower purchase accounting accretion and PPP revenue. Net interest margin was 3.17%, up 41 basis points.

- Average earning assets increased $29.2 billion, or 6.2%, primarily due to growth in average total loans of $35.1 billion, or 12%, and growth in other earning assets of $6.7 billion, or 35%, primarily due to an increase in balances held at the Federal Reserve to support liquidity build, partially offset by a decrease in average securities of $12.1 billion, or 7.9%.
- The yield on the total loan portfolio was 5.81%, up 212 basis points, primarily reflecting higher market interest rates, partially offset by lower purchase accounting accretion and PPP revenue. The yield on the average securities portfolio was 2.14%, up 46 basis points primarily due to the higher rate environment.
- Average deposits decreased $6.8 billion, or 1.6%, average short-term borrowings increased $17.1 billion, and average long-term debt increased $15.7 billion, or 44.5%.
- The average cost of total deposits was 1.12%, up 109 basis points. The average cost of short-term borrowings was 4.69%, up 409 basis points. The average cost of long-term debt was 4.05%, up 255 basis points. The increase in rates on deposits and other funding sources was largely attributable to the higher rate environment.

As of March 31, 2023, the remaining unamortized fair value marks on the loan and lease portfolio and long-term debt were $673 million and $69 million, respectively. As of December 31, 2022, the remaining unamortized fair value marks on the loan and lease portfolio and long-term debt were $741 million and $81 million, respectively.

The remaining unamortized purchase accounting fair value mark on loans and leases consists of $447 million for consumer loans and leases, and $226 million for commercial loans and leases. These amounts will be recognized over the remaining contractual lives of the underlying instruments or as paydowns occur.

The major components of net interest income and the related annualized yields as well as the variances between the periods caused by changes in interest rates versus changes in volumes are summarized below.

Table 1: Taxable-Equivalent Net Interest Income and Rate / Volume Analysis

Three Months Ended March 31, (Dollars in millions)	Average Balances[1]		Annualized Yield/Rate[2]		Income/Expense		Incr. (Decr.)	Change due to	
	2023	2022	2023	2022	2023	2022		Rate	Volume
Assets									
AFS and HTM securities at amortized cost:									
U.S. Treasury	$ 11,117	$ 9,890	1.07 %	0.72 %	$ 30	$ 18	$ 12	$ 10	$ 2
GSE	335	1,120	2.86	2.13	2	6	(4)	2	(6)
Agency MBS	124,746	137,052	2.23	1.72	694	590	104	160	(56)
States and political subdivisions	425	374	4.07	3.72	4	3	1	—	1
Non-agency MBS	3,907	4,224	2.34	2.25	23	24	(1)	1	(2)
Other	21	27	5.30	2.04	—	—	—	—	—
Total securities	140,551	152,687	2.14	1.68	753	641	112	173	(61)
Interest earning trading assets	5,462	5,837	6.09	3.04	83	43	40	43	(3)
Other earning assets[3]	25,589	18,932	4.67	0.63	295	30	265	251	14
Loans and leases, net of unearned income:									
Commercial and industrial	165,095	138,872	5.98	2.88	2,436	987	1,449	1,233	216
CRE	22,689	23,555	6.32	2.84	355	168	187	193	(6)
Commercial Construction	5,863	5,046	7.14	3.05	101	35	66	59	7
Residential mortgage	56,422	47,976	3.73	3.57	526	428	98	20	78
Home equity	10,735	10,822	6.80	4.33	180	116	64	65	(1)
Indirect auto	27,743	26,088	5.82	5.56	398	357	41	17	24
Other consumer	27,559	24,921	6.76	6.24	459	383	76	33	43
Student	5,129	6,648	7.04	3.86	89	63	26	43	(17)
Credit card	4,785	4,682	11.43	8.97	136	104	32	30	2
Total loans and leases HFI	326,020	288,610	5.81	3.70	4,680	2,641	2,039	1,693	346
LHFS	1,527	3,874	6.71	2.87	25	28	(3)	21	(24)
Total loans and leases	327,547	292,484	5.81	3.69	4,705	2,669	2,036	1,714	322
Total earning assets	499,149	469,940	4.72	2.90	5,836	3,383	2,453	2,181	272
Nonearning assets	60,478	66,041							
Total assets	$ 559,627	$ 535,981							
Liabilities and Shareholders' Equity									
Interest-bearing deposits:									
Interest-checking	$ 108,886	$ 112,159	1.60	0.05	430	14	416	416	—
Money market and savings	139,802	141,500	1.38	0.03	476	11	465	465	—
Time deposits	28,671	15,646	3.10	0.18	219	7	212	202	10
Total interest-bearing deposits	277,359	269,305	1.64	0.05	1,125	32	1,093	1,083	10
Short-term borrowings	24,056	6,944	4.69	0.60	278	10	268	197	71
Long-term debt	51,057	35,337	4.05	1.50	514	132	382	303	79
Total interest-bearing liabilities	352,472	311,586	2.20	0.22	1,917	174	1,743	1,583	160
Noninterest-bearing deposits	131,099	145,933							
Other liabilities	13,979	11,664							
Shareholders' equity	62,077	66,798							
Total liabilities and shareholders' equity	$ 559,627	$ 535,981							
Average interest-rate spread			2.52 %	2.68 %					
NIM/net interest income - taxable equivalent			3.17 %	2.76 %	$ 3,919	$ 3,209	$ 710	$ 598	$ 112
Taxable-equivalent adjustment					$ 51	$ 26			
Memo: Total deposits	$ 408,458	$ 415,238	1.12 %	0.03 %	$ 1,125	$ 32	$ 1,093		

(1) Represents daily average balances. Excludes basis adjustments for fair value hedges.
(2) Yields are stated on a TE basis utilizing federal tax rate. The change in interest not solely due to changes in rate or volume has been allocated based on the pro-rata absolute dollar amount of each. Interest income includes certain fees, deferred costs, and dividends.
(3) Includes cash equivalents, interest-bearing deposits with banks, FHLB stock and other earning assets.

Provision for Credit Losses

The provision for credit losses was $502 million compared to a benefit of $95 million for the first quarter of 2022. The net charge-off ratio was 37 basis points, up 12 basis points compared to the first quarter of 2022.

- The increase in the current quarter provision expense primarily reflects increased economic uncertainty in the current period, whereas the earlier quarter included a reserve release due to the improving credit environment during that period.
- The net charge-off ratio was up compared to the first quarter of 2022 driven by higher charge-offs in the indirect auto and other consumer portfolios due to normalizing trends, as well as an increase in the commercial and industrial portfolio.

Noninterest Income

Noninterest income is a significant contributor to Truist's financial results. Management focuses on diversifying its sources of revenue to reduce Truist's reliance on traditional spread-based interest income, as certain fee-based activities are a relatively stable revenue source during periods of changing interest rates. The following table provides a breakdown of Truist's noninterest income:

Table 2: Noninterest Income

	Three Months Ended March 31,		
(Dollars in millions)	**2023**	**2022**	**% Change**
Insurance income	$ 813	$ 727	11.8 %
Wealth management income	339	343	(1.2)
Investment banking and trading income	261	261	—
Service charges on deposits	249	252	(1.2)
Card and payment related fees	230	212	8.5
Mortgage banking income	142	121	17.4
Lending related fees	106	85	24.7
Operating lease income	67	58	15.5
Securities gains (losses)	—	(69)	NM
Other income	27	152	(82.2)
Total noninterest income	$ 2,234	$ 2,142	4.3

Noninterest income was up $92 million, or 4.3%, compared to the first quarter of 2022 due to 12% growth in insurance income, higher mortgage banking income, higher fees from lending-related activities and card and payment related activities. These items were partially offset by lower other income. The first quarter of 2022 included $69 million of securities losses and a $74 million gain on the redemption of noncontrolling equity interest (included in other income).

- Insurance income increased primarily due to acquisitions and 4.7% organic growth.
- Mortgage banking income increased due to a gain on the sale of a servicing portfolio, partially offset by mortgage servicing rights valuation adjustments in the current quarter.
- Lending related fees increased primarily due to higher unused commitment fees.
- Card and payment related fees increased due to higher volumes and the acquisition of a merchant portfolio.
- Other income decreased due to the aforementioned gain in the year ago quarter, lower investment income from the Company's SBIC and other investments, partially offset by higher income from investments held for certain post-retirement benefits (which is primarily offset by higher personnel expense).

Noninterest Expense

The following table provides a breakdown of Truist's noninterest expense:

Table 3: Noninterest Expense

	Three Months Ended March 31,		
(Dollars in millions)	**2023**	**2022**	**% Change**
Personnel expense	$ 2,181	$ 2,051	6.3 %
Professional fees and outside processing	314	363	(13.5)
Software expense	214	232	(7.8)
Net occupancy expense	183	208	(12.0)
Amortization of intangibles	136	137	(0.7)
Equipment expense	110	118	(6.8)
Marketing and customer development	78	84	(7.1)
Operating lease depreciation	46	48	(4.2)
Regulatory costs	75	35	114.3
Merger-related and restructuring charges	63	216	(70.8)
Other expense	291	182	59.9
Total noninterest expense	$ 3,691	$ 3,674	0.5

Noninterest expense was up $17 million, or 0.5%, compared to the first quarter of 2022 due to higher personnel expense, other expense, and regulatory costs. These increases were partially offset by lower merger-related and restructuring charges and professional fees and outside processing expenses. Merger-related and restructuring charges and incremental operating expenses related to the merger decreased $153 million and $202 million, respectively, due to the completion of integration-related activities. Adjusted noninterest expenses, which exclude merger-related costs and the amortization of intangibles increased $373 million, or 12%.

- Personnel expense increased due to investments in teammates by increasing Truist's minimum wage, the impact from acquisitions, investments in revenue producing businesses and enterprise technology, and higher other post-retirement benefit expense (which is almost entirely offset by higher other income), partially offset by lower pension expenses.
- Other expense increased primarily due to higher pension expense (driven primarily by lower plan assets) and higher operating losses.
- Regulatory costs increased primarily due to an increase in the FDIC's deposit insurance assessment rate.
- Professional fees and outside processing expenses decreased due to lower project spend for merger-related activities, partially offset by enterprise technology investments.

Merger-Related and Restructuring Charges

The following table presents a summary of merger-related and restructuring charges and the related accruals. The 2023 merger-related and restructuring costs primarily reflect charges as a result of the restructuring activities, including costs for severance and other benefits, costs related to exiting facilities, and other restructuring initiatives.

Table 4: Merger-Related and Restructuring Accrual Activity

(Dollars in millions)	**Accrual at Jan 1, 2023**	**Expense**	**Utilized**	**Accrual at Mar 31, 2023**
Severance and personnel-related	$ 9	$ 39	$ (31)	$ 17
Occupancy and equipment	—	19	(19)	—
Professional services	12	1	(12)	1
Other	5	4	(5)	4
Total	$ 26	$ 63	$ (67)	$ 22

Provision for Income Taxes

The provision for income taxes was $394 million for the first quarter of 2023, compared to $330 million for the earlier quarter. The effective tax rate for the first quarter of 2023 was 20.6%, compared to 18.9% for the earlier quarter.

- The effective tax rate increased compared to the first quarter of 2022 primarily driven by higher income before taxes, discrete tax expense recognized in the current quarter compared to discrete tax benefits recognized in the prior quarter, and the adoption of the Investments in Tax Credit Structures accounting standard related to the proportional amortization of tax credit investments in the current quarter. This guidance resulted in an increase in other income and an increase in tax expense of $17 million for the first quarter of 2023 with no impact to net income. The guidance was adopted prospectively and had no impact on prior periods results. Refer to "Note 1. Basis of Presentation" for additional information on the adoption of this guidance.

Segment Results

Truist operates and measures business activity across three segments: Consumer Banking and Wealth, Corporate and Commercial Banking, and Insurance Holdings, with functional activities included in Other, Treasury, and Corporate. The Company's business segment structure is based on the manner in which financial information is evaluated by management as well as the products and services provided or the type of client served. During the first quarter of 2023, Truist reorganized Prime Rate Premium Finance Corporation, which includes AFCO Credit Corporation and CAFO Holding Company, into the C&CB segment from the IH segment. Prior period results have been revised to conform to the current presentation.

See "Note 18. Operating Segments" herein and "Note 21. Operating Segments" in Truist's Annual Report on Form 10-K for the year ended December 31, 2022 for additional disclosures related to Truist's reportable business segments, including additional details related to results of operations. Fluctuations in noninterest income and noninterest expense are more fully discussed in the Noninterest Income and Noninterest Expense sections above.

Table 5: Net Income by Reportable Segment

	Three Months Ended March 31,		
(Dollars in millions)	2023	2022	% Change
Consumer Banking and Wealth	$ 1,044	$ 861	21.3 %
Corporate and Commercial Banking	1,034	1,023	1.1
Insurance Holdings	111	143	(22.4)
Other, Treasury & Corporate	(674)	(611)	(10.3)
Truist Financial Corporation	$ 1,515	$ 1,416	7.0

Consumer Banking and Wealth

CB&W net income was $1.0 billion for the first quarter of 2023, an increase of $183 million compared to the first quarter of 2022.

- Segment net interest income increased $556 million primarily driven by favorable funding credit on deposits attributable to the higher rate environment and higher average loan balances, partially offset by higher funding costs, lower average deposits, and lower purchase accounting accretion.
- The provision for credit losses increased $200 million reflecting increased economic uncertainty in the current quarter as well as higher charge offs in the indirect auto and other consumer portfolios and a reserve release in the earlier quarter.
- Noninterest income decreased $37 million compared to earlier quarter primarily due to a gain on the redemption of noncontrolling equity interest in the earlier quarter, partially offset by higher mortgage banking income in the current quarter.
- Noninterest expense increased $84 million compared to the earlier quarter primarily driven primarily by higher corporate technology, risk, and operations support expenses along with increased salaries expense, partially offset by lower marketing and customer development and incentives expense.

CB&W average loans and leases held for investment increased $11.2 billion, or 8.5%, for the first quarter of 2023 compared to the first quarter of 2022, primarily driven by an increase in residential mortgage balances due to slower run-off and increased correspondent production, along with increased Service Finance and Dealer Finance loans, partially offset by lower Student and Partnership loans.

Average total deposits decreased $14.4 billion, or 5.7%, for the first quarter of 2023 compared to the first quarter of 2022, primarily driven by decreases in interest bearing checking, money market and savings, and noninterest bearing deposits.

Corporate and Commercial Banking

C&CB net income was $1.0 billion for the first quarter of 2023, an increase of $11 million compared to the first quarter of 2022.

- Segment net interest income increased $463 million primarily due to higher funding credit on deposits and higher average loan balances, partially offset by lower purchase accounting accretion and lower PPP revenue.
- The provision for credit losses increased $382 million which reflects an increase in reserves driven by increased economic uncertainty and loan growth in the current quarter as well as an allowance release in the earlier quarter.
- Noninterest income decreased $26 million compared to the earlier quarter primarily due to lower investment income from the Company's SBIC and other investments, lower structured real estate fees, and commercial mortgage income, partially offset by increases in lending related fees, core trading revenues, and merger and acquisition fees.
- Noninterest expense increased $55 million compared to the earlier quarter primarily due to higher personnel expenses, and merger-related and restructuring charges.

C&CB average loans held for investment increased $26.7 billion, or 17%, for the first quarter of 2023 compared to the first quarter of 2022, primarily due to increases in commercial and industrial loans, partially offset by decreases in average PPP loans (commercial and industrial) and average commercial real estate.

Average total deposits decreased $11.4 billion, or 7.5%, for the first quarter of 2023 compared to the first quarter of 2022, primarily due to declines in average noninterest bearing deposits, partially offset by increases in money market and savings.

Insurance Holdings

IH net income was $111 million for the first quarter of 2023, a decrease of $32 million compared to the first quarter of 2022.

- Segment net interest income increased $11 million driven primarily by favorable funding credits.
- Noninterest income increased $84 million primarily due to continued organic growth and acquisitions.
- Noninterest expense increased $138 million primarily due to the impact of acquisitions, investments in new hires and teammates, performance-driven incentive expense, and higher operational loss reserves.

Other, Treasury & Corporate

OT&C generated a net loss of $674 million in the first quarter of 2023, compared to a net loss of $611 million in the first quarter of 2022.

- Net interest income decreased $345 million primarily due to higher funding credit on deposits to other segments, partially offset by higher funding charges to other segments from the higher rate environment.
- The provision for credit losses increased $15 million due to increased economic uncertainty in the current quarter.
- Noninterest income increased $71 million primarily due to losses on the sale of securities in the earlier quarter.
- Noninterest expense decreased $260 million compared to the earlier quarter primarily due to a decrease in incremental operating expenses related to the merger, partially offset by an increase in professional fees and outside processing, salaries, and regulatory costs.

Analysis of Financial Condition

Investment Activities

The securities portfolio totaled $128.8 billion at March 31, 2023, compared to $129.5 billion at December 31, 2022. U.S. Treasury, GSE, and Agency MBS represents 97% of the total securities portfolio as of March 31, 2023 and December 31, 2022. While the overwhelming majority of the portfolio remains in agency MBS securities, the Company also holds AAA rated non-agency MBS as the risk adjusted returns for these securities are more attractive than agency MBS.

- The decrease includes paydowns and maturities of $2.1 billion, partially offset by unrealized gains of $1.1 billion during the quarter.
- As of March 31, 2023, 41% of the investment securities portfolio was classified as held-to-maturity based on amortized cost.
- As of March 31, 2023 and December 31, 2022, approximately 5.6% of the securities portfolio was variable rate, excluding the impact of swaps.
- The effective duration of the securities portfolio was 6.7 years at March 31, 2023 and December 31, 2022.

Lending Activities

The following table presents the composition of average loans and leases:

Table 6: Average Loans and Leases

For the Three Months Ended (Dollars in millions)	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Commercial:					
Commercial and industrial	$ 165,095	$ 159,308	$ 152,123	$ 145,558	$ 138,872
CRE	22,689	22,497	22,245	22,508	23,555
Commercial construction	5,863	5,711	5,284	5,256	5,046
Consumer:					
Residential mortgage	56,422	56,292	53,271	49,237	47,976
Home equity	10,735	10,887	10,767	10,677	10,822
Indirect auto	27,743	28,117	28,057	26,496	26,088
Other consumer	27,559	27,479	26,927	25,918	24,921
Student	5,129	5,533	5,958	6,331	6,648
Credit card	4,785	4,842	4,755	4,728	4,682
Total average loans and leases HFI	$ 326,020	$ 320,666	$ 309,387	$ 296,709	$ 288,610

Average loans increased $5.4 billion, or 1.7%, compared to the prior quarter primarily due to momentum from the prior quarter within the commercial portfolio and the impact of the BankDirect acquisition. Loan growth moderated during the quarter as production in lower return portfolios was reduced with end of period loans up 0.5% compared to December 31, 2022.

- Average commercial loans increased 3.3% due to broad-based growth within the commercial and industrial portfolio and the BankDirect acquisition. The BankDirect acquisition contributed approximately $900 million of average loan growth compared to the fourth quarter of 2022.
- Average consumer loans decreased 0.6% due to runoff in student loans and partnership lending, as well as lower indirect auto production.

At March 31, 2023 and December 31, 2022, 53% of loans and leases HFI were variable rate.

Asset Quality

The following tables summarize asset quality information:

Table 7: Asset Quality

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
NPAs:					
NPLs:					
Commercial and industrial	$ 394	$ 398	$ 443	$ 393	$ 330
CRE	117	82	5	19	27
Commercial construction	1	—	—	—	—
Residential mortgage	233	240	227	269	315
Home equity	132	135	132	133	122
Indirect auto	270	289	260	244	227
Other consumer	45	44	39	32	23
Total NPLs HFI	1,192	1,188	1,106	1,090	1,044
Loans held for sale	—	—	72	33	39
Total nonaccrual loans and leases	1,192	1,188	1,178	1,123	1,083
Foreclosed real estate	3	4	4	3	3
Other foreclosed property	66	58	58	47	49
Total nonperforming assets	$ 1,261	$ 1,250	$ 1,240	$ 1,173	$ 1,135
Loans 90 days or more past due and still accruing:					
Commercial and industrial	$ 35	$ 49	$ 44	$ 27	$ 22
CRE	—	1	1	3	—
Commercial construction	—	—	—	3	—
Residential mortgage - government guaranteed	649	759	808	884	996
Residential mortgage - nonguaranteed	25	27	26	27	31
Home equity	10	12	9	8	9
Indirect auto	—	1	1	1	1
Other consumer	10	13	9	5	5
Student - government guaranteed	590	702	770	796	818
Student - nonguaranteed	4	4	5	5	4
Credit card	38	37	36	28	28
Total loans 90 days or more past due and still accruing	$ 1,361	$ 1,605	$ 1,709	$ 1,787	$ 1,914
Loans 30-89 days past due and still accruing:					
Commercial and industrial	$ 125	$ 256	$ 162	$ 223	$ 280
CRE	34	25	15	10	13
Commercial construction	3	5	3	4	1
Residential mortgage - government guaranteed	232	268	234	233	216
Residential mortgage - nonguaranteed	259	346	300	302	326
Home equity	65	68	67	68	80
Indirect auto	511	646	591	584	529
Other consumer	164	187	152	166	127
Student - government guaranteed	350	396	375	447	476
Student - nonguaranteed	6	6	6	6	6
Credit card	56	64	52	48	47
Total loans 30-89 days past due and still accruing	$ 1,805	$ 2,267	$ 1,957	$ 2,091	$ 2,101

Nonperforming assets totaled $1.3 billion at March 31, 2023, relatively stable compared to December 31, 2022. Nonperforming loans and leases held for investment were 0.36% of loans and leases held for investment at March 31, 2023, unchanged compared to December 31, 2022.

Loans 90 days or more past due and still accruing totaled $1.4 billion at March 31, 2023, down $244 million, or seven basis points as a percentage of loans and leases, compared with the prior quarter primarily due to declines in government guaranteed student loans and government guaranteed residential mortgages. Excluding government guaranteed loans, the ratio of loans 90 days or more past due and still accruing as a percentage of loans and leases was 0.04% at March 31, 2023, flat from December 31, 2022.

Loans 30-89 days past due and still accruing of $1.8 billion at March 31, 2023 were down $462 million, or 15 basis points as a percentage of loans and leases, compared to the prior quarter primarily due to a seasonal decrease in the consumer portfolios coupled with a decline in the commercial and industrial portfolio.

Problem loans include NPLs and loans that are 90 days or more past due and still accruing as disclosed in Table 7. In addition, for the commercial portfolio segment, loans that are rated special mention or substandard performing are closely monitored by management as potential problem loans. Refer to "Note 5. Loans and ACL" for the amortized cost basis of loans by origination year and credit quality indicator as well as additional disclosures related to NPLs.

Table 8: Asset Quality Ratios

	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Loans 30-89 days past due and still accruing as a percentage of loans and leases HFI	0.55 %	0.70 %	0.62 %	0.69 %	0.72 %
Loans 90 days or more past due and still accruing as a percentage of loans and leases HFI	0.42	0.49	0.54	0.59	0.66
NPLs as a percentage of loans and leases HFI	0.36	0.36	0.35	0.36	0.36
NPLs as a percentage of total loans and leases[(1)]	0.36	0.36	0.37	0.37	0.37
NPAs as a percentage of:					
Total assets[(1)]	0.22	0.23	0.23	0.22	0.21
Loans and leases HFI plus foreclosed property	0.38	0.38	0.37	0.38	0.38
ALLL as a percentage of loans and leases HFI	1.37	1.34	1.34	1.38	1.44
Ratio of ALLL to NPLs	3.8x	3.7x	3.8x	3.8x	4.0x
Loans 90 days or more past due and still accruing as a percentage of loans and leases HFI, excluding government guaranteed[(2)]	0.04 %	0.04 %	0.04 %	0.04 %	0.04 %

(1) Includes LHFS.
(2) This asset quality ratio has been adjusted to remove the impact of government guaranteed loans. Management believes the inclusion of such assets in this asset quality ratio results in distortion of this ratio because collection of principal and interest is reasonably assured, or the ratio might not be comparable to other periods presented or to other portfolios that do not have government guarantees.

Table 9: Asset Quality Ratios (Continued)

	Quarter Ended				
	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Net charge-offs as a percentage of average loans and leases HFI:					
Commercial:					
Commercial and industrial	0.15 %	0.08 %	0.02 %	0.01 %	0.04 %
CRE	0.09	0.19	(0.01)	(0.10)	0.01
Commercial construction	(0.04)	(0.06)	(0.10)	(0.08)	(0.02)
Consumer:					
Residential mortgage	—	(0.02)	0.01	(0.02)	(0.03)
Home equity	(0.15)	(0.01)	(0.13)	(0.17)	(0.12)
Indirect auto	1.47	1.52	1.15	0.77	1.23
Other consumer	1.29	1.11	1.31	1.27	0.87
Student	0.42	0.34	0.40	0.30	0.33
Credit card	3.54	3.68	2.80	2.63	2.77
Total	0.37	0.34	0.27	0.22	0.25
Ratio of ALLL to net charge-offs	3.7x	4.1x	5.0x	6.5x	5.8x

Ratios are annualized, as applicable.

The following table presents activity related to NPAs:

Table 10: Rollforward of NPAs

(Dollars in millions)	2023	2022
Balance, January 1	$ 1,250	$ 1,163
New NPAs	621	395
Advances and principal increases	214	108
Disposals of foreclosed assets[(1)]	(147)	(112)
Disposals of NPLs[(2)]	(3)	(37)
Charge-offs and losses	(204)	(115)
Payments	(306)	(180)
Transfers to performing status	(160)	(101)
Other, net	(4)	14
Ending balance, March 31	$ 1,261	$ 1,135

(1) Includes charge-offs and losses recorded upon sale of $42 million and $29 million for the three months ended March 31, 2023 and 2022, respectively.
(2) Includes gains, net of charge-offs recorded upon sale of $5 million and charge-offs and losses recorded upon sale of $3 million for the three months ended March 31, 2023 and 2022, respectively.

CRE and Commercial Construction

Truist has noted that the CRE and commercial construction portfolios have the potential for heightened risk in the current environment. Truist maintains a high-quality portfolio through disciplined risk management and prudent client selection. In addition, the Company's exposure to large CRE tends to have more institutional sponsorship and the Company has reduced exposure to smaller CRE. Truist's CRE and commercial construction portfolios was $28.6 billion as of March 31, 2023.

Our office portfolio, which makes up approximately 18% of total CRE and commercial construction loans, is weighted towards Class A properties as of March 31, 2023. Nonperforming loans and criticized loans in this portfolio have trended higher in recent months.

Table 11: CRE and Commercial Construction by Type

	March 31, 2023		December 31, 2022	
(Dollars in millions)	**LHFI**	**NPL**	**LHFI**	**NPL**
CRE and commercial construction:				
Multifamily	$ 8,085	$ 2	$ 7,762	$ —
Office	5,151	109	5,258	75
Retail	4,582	3	4,668	2
Industrial	4,550	—	4,329	—
Hotel	2,827	—	2,965	—
Other	3,426	4	3,543	5
Total	$ 28,621	$ 118	$ 28,525	$ 82

See additional information on the CRE and commercial construction portfolios in “Note 5. Loans and ACL,” including loans by origination year and credit quality indicator.

ACL

Activity related to the ACL is presented in the following tables:

Table 12: Activity in ACL

	For the Three Months Ended				
(Dollars in millions)	**Mar 31, 2023**	**Dec 31, 2022**	**Sep 30, 2022**	**Jun 30, 2022**	**Mar 31, 2022**
Balance, beginning of period[1]	$ 4,649	$ 4,455	$ 4,434	$ 4,423	$ 4,695
Provision for credit losses	482	467	234	171	(95)
Charge-offs:					
Commercial and industrial	(75)	(44)	(51)	(17)	(31)
CRE	(6)	(11)	—	(1)	(1)
Commercial construction	—	—	—	—	(1)
Residential mortgage	(1)	(1)	(4)	(2)	(2)
Home equity	(2)	(6)	(3)	(3)	(1)
Indirect auto	(127)	(129)	(103)	(77)	(102)
Other consumer	(105)	(96)	(109)	(100)	(76)
Student	(5)	(5)	(7)	(4)	(6)
Credit card	(51)	(53)	(42)	(40)	(41)
Total charge-offs	(372)	(345)	(319)	(244)	(261)
Recoveries:					
Commercial and industrial	13	14	43	13	17
CRE	1	1	—	6	1
Commercial construction	1	1	2	1	1
Residential mortgage	2	3	3	4	6
Home equity	6	6	8	6	5
Indirect auto	26	21	21	26	23
Other consumer	17	17	21	20	21
Student	—	1	—	—	—
Credit card	9	8	8	9	9
Total recoveries	75	72	106	85	83
Net charge-offs	(297)	(273)	(213)	(159)	(178)
Other[2]	(73)	—	—	(1)	1
Balance, end of period	$ 4,761	$ 4,649	$ 4,455	$ 4,434	$ 4,423
ACL:[1]					
ALLL	$ 4,479	$ 4,377	$ 4,205	$ 4,187	$ 4,170
RUFC	282	272	250	247	253
Total ACL	$ 4,761	$ 4,649	$ 4,455	$ 4,434	$ 4,423

(1) Excludes provision for credit losses and allowances related to other financial assets at amortized cost.
(2) The first quarter of 2023 includes the impact from the adoption of the Troubled Debt Restructurings and Vintage Disclosures accounting standard.

The allowance for credit losses was $4.8 billion and includes $4.5 billion for the allowance for loan and lease losses and $282 million for the reserve for unfunded commitments. The ALLL ratio was 1.37%, up three basis points compared with December 31, 2022 primarily due to increased economic uncertainty. The ALLL covered nonperforming loans and leases held for investment 3.8X compared to 3.7X at December 31, 2022. At March 31, 2023, the ALLL was 3.7X annualized net charge-offs, compared to 4.1X at December 31, 2022.

The following table presents an allocation of the ALLL. The entire amount of the allowance is available to absorb losses occurring in any category of loans and leases.

Table 13: Allocation of ALLL by Category

	March 31, 2023			December 31, 2022		
(Dollars in millions)	Amount	% ALLL in Each Category	% Loans in Each Category	Amount	% ALLL in Each Category	% Loans in Each Category
Commercial and industrial	$ 1,497	33.5 %	51.1 %	$ 1,409	32.3 %	50.3 %
CRE	251	5.6	6.9	224	5.1	7.0
Commercial construction	87	1.9	1.8	46	1.1	1.8
Residential mortgage	332	7.4	17.2	399	9.1	17.4
Home equity	87	1.9	3.2	90	2.0	3.3
Indirect auto	993	22.2	8.3	981	22.4	8.6
Other consumer	779	17.4	8.5	770	17.6	8.5
Student	98	2.2	1.5	98	2.2	1.6
Credit card	355	7.9	1.5	360	8.2	1.5
Total ALLL	4,479	100.0 %	100.0 %	4,377	100.0 %	100.0 %
RUFC	282			272		
Total ACL	$ 4,761			$ 4,649		

Truist monitors the performance of its home equity loans and lines secured by second liens similarly to other consumer loans and utilizes assumptions specific to these loans in determining the necessary ALLL. Truist also receives notification when the first lien holder, whether Truist or another financial institution, has initiated foreclosure proceedings against the borrower. When notified that the first lien is in the process of foreclosure, Truist obtains valuations to determine if any additional charge-offs or reserves are warranted. These valuations are updated at least annually thereafter.

Truist has limited ability to monitor the delinquency status of the first lien, unless the first lien is held or serviced by Truist. Truist estimates credit losses on second lien loans where the first lien is delinquent based on historical experience; the increased risk of loss on these credits is reflected in the ALLL. As of March 31, 2023, Truist held or serviced the first lien on 32% of its second lien positions.

Other Assets

The components of other assets are presented in the following table:

Table 14: Other Assets as of Period End

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Bank-owned life insurance	$ 7,651	$ 7,618
Tax credit and other private equity investments	6,730	6,825
Prepaid pension assets	5,885	4,539
DTAs	2,393	3,027
Accounts receivable	2,763	2,682
Accrued income	2,429	2,265
Leased assets and related assets	2,059	2,082
FHLB stock	2,426	1,279
ROU assets	1,151	1,193
Prepaid expenses	1,177	1,162
Equity securities at fair value	857	898
Derivative assets	692	684
Other	792	874
Total other assets	$ 37,005	$ 35,128

Funding Activities

Deposits

The following table presents average deposits:

Table 15: Average Deposits

Three Months Ended (Dollars in millions)	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Noninterest-bearing deposits	$ 131,099	$ 141,032	$ 146,041	$ 148,610	$ 145,933
Interest checking	108,886	110,001	111,645	112,375	112,159
Money market and savings	139,802	144,730	147,659	148,632	141,500
Time deposits	28,671	17,513	14,751	14,133	15,646
Total average deposits	$ 408,458	$ 413,276	$ 420,096	$ 423,750	$ 415,238

Average deposits for the first quarter of 2023 were $408.5 billion, a decrease of $4.8 billion, or 1.2%, compared to the prior quarter. The decrease in deposits was primarily driven by the impacts of monetary tightening and higher-rate alternatives.

Average noninterest-bearing deposits decreased 7.0% compared to the prior quarter and represented 32.1% of total deposits for the first quarter of 2023 compared to 34.1% for the fourth quarter of 2022 and 35.1% compared to the year ago quarter. Noninterest-bearing deposits declined primarily due to clients seeking high-rate alternatives. Average money market and savings and interest checking declined 3.4% and 1.0%, respectively, compared to the prior quarter. Average time deposits increased 64% due to an increase in wholesale funding and retail-client time deposits.

Truist has a very granular and relationship-based deposit franchise. Approximately 63% of deposits are insured or collateralized. Truist deposit accounts are typically based on long-term relationships and include multiple products and services. Truist has strong market share in many of the fastest-growing markets in the United States. Truist currently ranks 1st, 2nd, or 3rd in deposit share in 17 of our top 20 markets, including Atlanta, Charlotte, DC, Miami, Tampa, Orlando, and Raleigh-Durham, among others. Truist’s commercial deposits are diversified across 21 industry groups, with no one sector representing more than 10% of Corporate and Commercial Banking deposits.

The estimated amount of deposits that are uninsured was $175.9 billion and $189.6 billion as of March 31, 2023 and December 31, 2022, respectively, calculated using the same methodology as the Call Report for Truist Bank. The decrease in uninsured deposits was largely due to commercial clients that chose to diversify into money market mutual funds or across multiple banks. These outflows were primarily higher-cost, non-operational deposits.

Borrowings

At March 31, 2023, short-term borrowings totaled $23.7 billion, an increase of $256 million compared to December 31, 2022. Average short-term borrowings were $24.1 billion, or 5.0% of total funding, for the three months ended March 31, 2023, as compared to $6.9 billion, or 1.5%, for the same period in the prior year.

Long-term debt provides funding and, to a lesser extent, regulatory capital, and primarily consists of senior and subordinated notes issued by Truist and Truist Bank. Long-term debt totaled $69.9 billion at March 31, 2023, an increase of $26.7 billion compared to December 31, 2022. This funding increase was largely to increase our cash position in response to market events. During the three months ended March 31, 2023, the Company had:

- Maturities and redemptions of $3.5 billion of senior notes.
- Issued $1.5 billion fixed-to-floating rate senior notes with an interest rate of 4.87% due January 26, 2029 and $1.5 billion fixed-to-floating rate senior notes with an interest rate of 5.12% due January 26, 2034.
- Issued $27.0 billion notional, net, of prepayable FHLB floating rate advances with interest rates of 5.05% to 5.07% due April 10, 2024 to March 13, 2025.

The average cost of long-term debt was 4.05% for the three months ended March 31, 2023, up 255 basis points compared to the same period in 2022.

Shareholders’ Equity

Truist’s book value per common share and TBVPS are presented in the following table:

Table 16: Book Value per Common Share

(Dollars in millions, except per share data, shares in thousands)	Mar 31, 2023	Dec 31, 2022
Common equity per common share	$ 41.82	$ 40.58
Non-GAAP capital measure:(1)		
Tangible common equity per common share	$ 19.45	$ 18.04
Calculation of tangible common equity:(1)		
Total shareholders’ equity	$ 62,394	$ 60,537
Less:		
Preferred stock	6,673	6,673
Noncontrolling interests	22	23
Goodwill and intangible assets, net of deferred taxes	29,788	29,908
Tangible common equity	$ 25,911	$ 23,933
Common shares outstanding at end of period	1,331,918	1,326,829

(1) Tangible common equity and related measures are non-GAAP measures that exclude the impact of intangible assets, net of deferred taxes, and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. Truist’s management uses these measures to assess profitability, returns relative to balance sheet risk, and shareholder value.

Total shareholders’ equity was $62.4 billion at March 31, 2023, an increase of $1.9 billion from December 31, 2022. This increase includes $1.5 billion in net income and a $1.0 billion increase in AOCI, partially offset by $794 million in common and preferred dividends. Truist’s book value per common share at March 31, 2023 was $41.82, compared to $40.58 at December 31, 2022. Truist TBVPS of $19.45 at March 31, 2023, increased 7.8% compared to December 31, 2022 due to increases in AOCI, primarily related to AFS securities, and retained earnings.

Risk Management

Truist maintains 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 promotes the execution of business strategies and objectives in alignment with its risk appetite.

Truist has developed and employs a risk framework that further guides business functions in identifying, measuring, responding to, monitoring, and reporting on possible exposures to the organization. The risk taxonomy drives internal risk measurement and monitoring and enables Truist to clearly and transparently communicate to stakeholders the level of potential risk the Company faces and the Company’s position on managing risk to acceptable levels.

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.

Truist seeks an appropriate return for the risk taken in its business operations. Risk-taking activities are evaluated and prioritized to identify those that present attractive risk-adjusted returns, while preserving asset value and capital.

Truist’s compensation plans are designed to consider teammate’s adherence to and successful implementation of Truist’s risk values and associated policies and procedures. The Company’s compensation structure supports its core values and sound risk management practices in an effort to promote judicious risk-taking behavior.

Refer to Truist’s Annual Report on Form 10-K for the year ended December 31, 2022 for additional disclosures under the section titled “Risk Management.”

Market Risk

Market risk is the risk to current or anticipated earnings, capital, or economic value arising from changes in the market value of portfolios, securities, or other financial instruments. Market risk results from changes in the level, volatility, or correlations among financial market risk factors or prices, including interest rates, credit spreads, foreign exchange rates, equity, and commodity prices.

Effective management of market risk is essential to achieving Truist's strategic financial objectives. Truist's most significant market risk exposure is to interest rate risk in its balance sheet; however, market risk also results from underlying product liquidity risk, price risk, and volatility risk in Truist's business units. Interest rate risk results from differences between the timing of rate changes and the timing of cash flows associated with assets and liabilities (re-pricing risk); from changing rate relationships among different yield curves affecting bank activities (basis risk); from changing rate relationships across the spectrum of maturities (yield curve risk); and from interest-related options inherently embedded in bank products (options risk).

The primary objectives of effective market risk management are to minimize adverse effects from changes in market risk factors on net interest income, net income, and capital, and to offset the risk of price changes for certain assets and liabilities recorded at fair value. At Truist, market risk management also includes the enterprise-wide IPV function.

Interest Rate Market Risk

As a financial institution, Truist is exposed to interest rate risk from assets, liabilities, and off-balance sheet positions. To keep net interest margin as stable as possible, Truist actively manages its interest rate risk exposure through the strategic repricing of its assets and liabilities, taking into account the volumes, maturities, and mix. Truist primarily uses three methods to measure and monitor its interest rate risk: (i) simulations of possible changes to net interest income over the next two years based on gradual changes in interest rates; (ii) analysis of interest rate shock scenarios; and (iii) analysis of economic value of equity based on changes in interest rates.

The Company's simulation model takes into account assumptions related to prepayment trends, using a combination of market data and internal historical experiences for deposits and loans, as well as scheduled maturities and payments, and the expected outlook for the economy and interest rates. These assumptions are reviewed and adjusted monthly to reflect changes in current interest rates compared to the rates applicable to Truist's assets and liabilities. The model also considers Truist's current and prospective liquidity position, current balance sheet volumes, projected growth and/or contractions, accessibility of funds for short-term needs and capital maintenance.

Deposit betas (the sensitivity of deposit rate changes relative to market rate changes) are an important assumption in the interest rate risk modeling process. Truist applies deposit beta assumptions to non-maturity interest-bearing deposit accounts when determining its interest rate sensitivity. Non-maturity, interest-bearing deposit accounts include interest checking accounts, savings accounts, and money market accounts that do not have a contractual maturity. Truist applies an average deposit beta of approximately 50% to its non-maturity interest-bearing accounts when determining its interest rate sensitivity. Truist also regularly conducts sensitivity analyses on other key variables, including noninterest-bearing deposits, to determine the impact these variables could have on the Company's interest rate risk position. The predictive value of the simulation model depends upon the accuracy of the assumptions, but management believes that it provides helpful information for the management of interest rate risk.

The following table shows the effect that the indicated changes in interest rates would have on net interest income as projected for the next 12 months assuming a gradual change in interest rates as described below.

Table 17: Interest Sensitivity Simulation Analysis

Interest Rate Scenario			Annualized Hypothetical Percentage Change in Net Interest Income	
Gradual Change in Prime Rate (bps)	Prime Rate			
	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Mar 31, 2022
Up 100	9.00 %	4.50 %	(0.29)%	4.27 %
Up 50	8.50	4.00	(0.11)	3.29
No Change	8.00	3.50	—	—
Down 50[1]	7.50	3.00	(0.58)	(3.46)
Down 100[1]	7.00	2.50	(0.70)	(3.64)

(1) The Down 50 and 100 rate scenarios incorporate a floor of one basis point.

Rate sensitivity decreased compared to prior periods, primarily driven by higher starting rates, higher deposit betas as rates increase and move into the highest beta tiers, and the addition of forward starting swaps.

Management considers how the interest rate risk position could be impacted by changes in balance sheet mix. Liquidity in the banking industry was very strong post-COVID-19, which resulted in growth in noninterest-bearing demand deposits. However, with the significant increase in rates in 2022 and the first quarter of 2023, noninterest-bearing deposits have begun to shift to interest-bearing accounts. Additional movement above what is currently projected would reduce the asset sensitivity of Truist's balance sheet because the Company may increase interest-bearing funds to offset the loss of these advantageous noninterest-bearing deposits. Alternatively, the Company may reduce the size of its investment portfolio to offset the loss of noninterest-bearing demand deposits to limit the impact on the balance sheet's asset sensitivity. The behavior of these noninterest-bearing deposits is one of the most important assumptions used in determining the interest rate risk position of Truist.

The following table shows the results of Truist's interest-rate sensitivity position assuming the loss of additional demand deposits and an associated increase in managed rate deposits versus current projections under various interest rate scenarios. For purposes of this analysis, Truist modeled the incremental beta of managed rate deposits for the replacement of the demand deposits at 100%.

Table 18: Deposit Mix Sensitivity Analysis

Gradual Change in Rates (bps)	Base Scenario at March 31, 2023(1)	Results Assuming a Decrease in Noninterest-Bearing Demand Deposits	
		$20 Billion	$40 Billion
Up 100	(0.29)%	(1.01)%	(1.72)%
Up 50	(0.11)	(0.63)	(1.15)

(1) The base scenario is equal to the annualized hypothetical percentage change in net interest income at March 31, 2023 as presented in the preceding table.

Truist uses financial instruments including derivatives to manage interest rate risk related to securities, commercial loans, MSRs, and mortgage banking operations, long-term debt, and other funding sources. Truist has utilized derivatives to facilitate transactions on behalf of its clients and as part of associated hedging activities. As of March 31, 2023, Truist had derivative financial instruments outstanding with notional amounts totaling $363.0 billion. See "Note 16. Derivative Financial Instruments" for additional disclosures.

LIBOR Transition

For most tenors of U.S. dollar LIBOR, the administrator of LIBOR extended publication until June 30, 2023. To prepare for the transition to an alternative reference rate, management formed a cross-functional project team to address the LIBOR transition. The project team performed an assessment to identify the potential risks related to the transition from LIBOR to a new index or multiple indices and provides updates to Executive Leadership and the Board. As of March 31, 2023, Truist had outstanding LIBOR-based instruments that mature after June 30, 2023, including loan and lease exposures totaling approximately $98 billion, notional derivative exposure totaling approximately $131 billion, long-term debt of $1.1 billion, and preferred stock of $1.5 billion. These amounts are inclusive of remediated contracts, which contain adequate fallback language for the transition.

Contract fallback language for existing loans and leases has been reviewed and certain contracts require amendments to support the transition away from LIBOR. Impacted lines of business have started remediating these contracts to include standardized fallback language or amending contracts to new reference rates at maturities or based on client request. Current fallback language used to remediate contracts that mature after June 30, 2023 is generally consistent with ARRC recommendations and includes use of "hardwired fallback" language, which will transition loans to a SOFR based rate after June 30, 2023.

The progress and approach to remediation varies based on the type of contract and existing language used in the agreement. For commercial lending, a significant number of remaining LIBOR contracts required client outreach and remediation. Through mid-2022, the Company's primary focus was supporting new loan production using SOFR and other alternative reference rates as well as transitioning any renewing LIBOR based contracts to alternative reference rates. Efforts have shifted to amend and remediate contracts, excluding mortgage and student loans, that mature post June 30, 2023 ($90 billion), which will continue to be the focus during 2023. Of the contracts remaining on LIBOR that have not yet been remediated or modified to a new reference rate, Truist's intends to add updated fallback language or move these contracts to new reference rates prior to cessation. A significant portion of these contracts contain existing fallback language that will transition the contract to a Prime based rate if not remediated, while a smaller population contains no historical fallback language. Should the institution be unable to remediate all contracts, those based on Prime will be prioritized to provide a more consistent client experience with the "hardwired fallback" transition to SOFR. If there are remaining contracts without fallback language, Truist may leverage the LIBOR Act and corresponding safe harbor provision to transition these loans to SOFR.

Truist's adjustable-rate mortgage products ($3.4 billion) have consistent and adequate fallback language to transition away from LIBOR in line with industry expectations; therefore, these contracts do not require remediation. Remediation of student loans ($4.4 billion) will follow recent guidance from the Department of Education on the replacement rate for payment allowances on certain student loans and recent guidance from the CFPB to allow transition to "comparable rates," in the private student loan portfolio, where LIBOR is used directly. Based on the recent guidance, these portfolios will transition to rates based on SOFR.

Upon the discontinuation of LIBOR, derivatives that reference LIBOR will transition to a SOFR-based replacement rate as set forth in the ISDA protocol addressing LIBOR fallbacks through bilateral amendments, or as established under the LIBOR Act and rules promulgated thereunder by the FRB. Certain derivatives without a clearly defined or practicable replacement benchmark rate will use the LIBOR Act to replace LIBOR with a SOFR-based rate established by FRB rulemaking and follow the ISDA protocol for transition. This legislation will also provide additional administrative benefit for a small portion of the commercial and consumer lending portfolios where contracts do not contain fallback language and have not yet been remediated, providing a remediation path to a SOFR based rate.

In addition, the transition from LIBOR to an alternative reference rate, such as SOFR, for the Company's preferred stock and the Company's and Truist Bank's floating rate notes is dependent on a number of factors, including the fallback language for the applicable series of preferred stock or notes, the application of the LIBOR Act and the rules promulgated thereunder by the FRB, determinations to be made by third-party calculation or paying agents rather than the Company or Truist Bank as to the replacement rates, and the impact of any publication of a synthetic U.S. dollar LIBOR as currently proposed by the Financial Conduct Authority. With the most recent information available on these factors, Truist expects preferred stock issuances to utilize LIBOR to transition to SOFR. See "Note 12. Shareholders' Equity" for information about preferred stock using LIBOR.

Training has been provided for impacted teammates and will continue during 2023. Truist will continue to provide timely notices and information to impacted clients about the transition during the first half of 2023. Truist continues to manage the impact of these contracts and other financial instruments, systems implications, hedging strategies, and related operational and market risks on established project plans for business and operational readiness to support the transition.

As of December 31, 2021, Truist ceased entering into new contracts with a LIBOR reference rate for all product offerings, except on a limited basis, as permissible. The Company is actively using SOFR as a reference rate and has originated approximately $124 billion of loans, issued $12.4 billion of senior and subordinated notes, including fixed rate notes that convert to SOFR in the future, and has $108 billion in notional derivative exposure using this alternative reference rate as of March 31, 2023. Alternatives, such as SOFR, may react differently from LIBOR in times of economic stress. Truist expects SOFR to be the primary pricing benchmark used across the industry and will continue to offer additional SOFR based products. Market risks associated with the transition to alternative reference rates are dependent on market conditions as loans are transitioned to alternative reference rates during 2022 and early 2023. Additional alternative reference rates, such as Bloomberg Short Term Bank Yield, will be supported based on market demand. For a further discussion of the various risks associated with the potential cessation of LIBOR and the transition to alternative reference rates, refer to the section titled "Item1A. Risk Factors" in the Form 10-K for the year ended December 31, 2022.

Market Risk from Trading Activities

As a financial intermediary, Truist provides its clients access to derivatives, foreign exchange and securities markets, which generate market risks. Trading market risk is managed using a comprehensive risk management approach, which includes measuring risk using VaR, stress testing, and sensitivity analysis. Risk metrics are monitored against a suite of limits on a daily basis at both the trading desk level and at the aggregate portfolio level, which is intended to ensure that exposures are in line with Truist's risk appetite.

Truist is also subject to risk-based capital guidelines for market risk under the Market Risk Rule.

Covered Trading Positions

Covered positions subject to the Market Risk Rule include trading assets and liabilities, specifically those held for the purpose of short-term resale or with the intent of benefiting from actual or expected short-term price movements or to lock in arbitrage profits. Truist's trading portfolio of covered positions results primarily from market making and underwriting services for the Company's clients, as well as associated risk mitigating hedging activity. The trading portfolio, measured in terms of VaR, consists primarily of four sub-portfolios of covered positions: (i) credit trading, (ii) fixed income securities, (iii) interest rate derivatives, and (iv) equity derivatives. As a market maker across different asset classes, Truist's trading portfolio also contains other sub-portfolios, including foreign exchange, loan trading, and commodity derivatives; however, these portfolios do not generate material trading risk exposures.

Valuation policies and methodologies exist for all trading positions. Additionally, these positions are subject to independent price verification. See "Note 16. Derivative Financial Instruments," "Note 15. Fair Value Disclosures," and "Critical Accounting Policies" herein for discussion of valuation policies and methodologies.

Securitizations

As of March 31, 2023, the aggregate market value of on-balance sheet securitization positions subject to the Market Risk Rule was $18 million, all of which were non-agency asset backed securities positions. Consistent with the Market Risk Rule requirements, the Company performs pre-purchase due diligence on each securitization position to identify the characteristics including, but not limited to, deal structure and the asset quality of the underlying assets, that materially affect valuation and performance. Securitization positions are subject to Truist's comprehensive risk management framework, which includes daily monitoring against a suite of limits. There were no off-balance sheet securitization positions during the reporting period.

Correlation Trading Positions

The trading portfolio of covered positions did not contain any correlation trading positions as of March 31, 2023.

VaR-Based Measures

VaR measures the potential loss of a given position or portfolio of positions at a specified confidence level and time horizon. Truist utilizes a historical VaR methodology to measure and aggregate risks across its covered trading positions. For risk management purposes, the VaR calculation is based on a historical simulation approach and measures the potential trading losses using a one-day holding period at a one-tail, 99% confidence level. For Market Risk Rule purposes, the Company calculates VaR using a 10-day holding period and a 99% confidence level. Due to inherent limitations of the VaR methodology, such as the assumption that past market behavior is indicative of future market performance, VaR is only one of several tools used to measure and manage market risk. Other tools used to actively manage market risk include stress testing, scenario analysis, and stop loss limits.

The trading portfolio's VaR profile is influenced by a variety of factors, including the size and composition of the portfolio, market volatility, and the correlation between different positions. A portfolio of trading positions is typically less risky than the sum of the risk from each of the individual sub-portfolios, because, under normal market conditions, risk within each category partially offsets the exposure to other risk categories. The following table summarizes certain VaR-based measures for the three months ended March 31, 2023 and 2022. Average one and ten-day VaR measures for the year ended March 31, 2023 decreased from the same period of last year, primarily driven by lower market making inventory.

Table 19: VaR-based Measures

	Three Months Ended March 31,			
	2023		2022	
(Dollars in millions)	10-Day Holding Period	1-Day Holding Period	10-Day Holding Period	1-Day Holding Period
VaR-based Measures:				
Maximum	$ 22	$ 9	$ 38	$ 14
Average	15	6	18	6
Minimum	10	4	9	3
Period-end	22	9	15	4
VaR by Risk Class:				
Interest Rate Risk		8		4
Credit Spread Risk		7		4
Equity Price Risk		1		4
Portfolio Diversification		(9)		(8)
Period-end		8		4

Stressed VaR-based measures

Stressed VaR, another component of market risk capital, is calculated using the same internal models as used for the VaR-based measure. Stressed VaR is calculated over a ten-day holding period at a one-tail, 99% confidence level and employs a historical simulation approach based on a continuous twelve-month historical window selected to reflect a period of significant financial stress for the Company's trading portfolio. The following table summarizes Stressed VaR-based measures:

Table 20: Stressed VaR-based Measures - 10 Day Holding Period

	Three Months Ended March 31,	
(Dollars in millions)	2023	2022
Maximum	$ 77	$ 109
Average	44	76
Minimum	25	59
Period-end	31	72

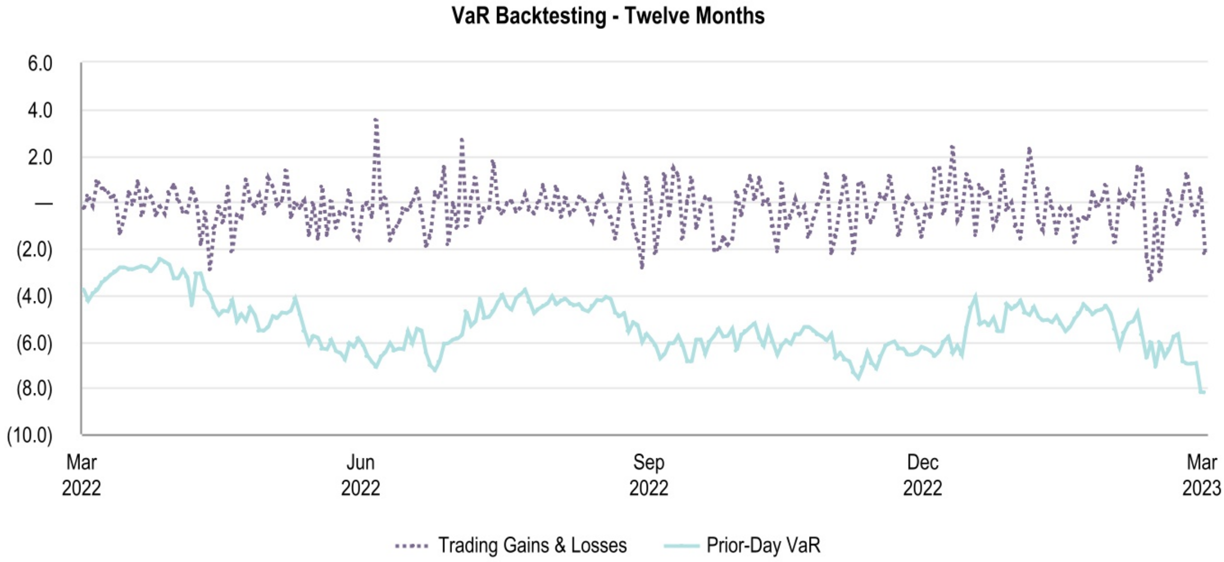
Compared to the prior year, Stressed VaR measures decreased primarily due to lower market making inventory levels in 2023.

Specific Risk Measures

Specific risk is a measure of idiosyncratic risk that could result from risk factors other than broad market movements (e.g., default or event risks). The Market Risk Rule provides fixed risk weights under a standardized measurement method while also allowing a model-based approach, subject to regulatory approval. Truist utilizes the standardized measurement method to calculate the specific risk component of market risk regulatory capital. As such, incremental risk capital requirements do not apply.

VaR Model Backtesting

In accordance with the Market Risk Rule, the Company evaluates the accuracy of its VaR model through daily backtesting by comparing aggregate daily trading gains and losses (excluding fees, commissions, reserves, net interest income, and intraday trading) from covered positions with the corresponding daily VaR-based measures generated by the model. As illustrated in the following graph, there were no Company-wide VaR backtesting exceptions during the twelve months ended March 31, 2023. The total number of Company-wide VaR backtesting exceptions over the preceding twelve months is used to determine the multiplication factor for the VaR-based capital requirement under the Market Risk Rule. The capital multiplication factor increases from a minimum of three to a maximum of four, depending on the number of exceptions. All Company-wide VaR backtesting exceptions are thoroughly reviewed in the context of VaR model use and performance. There was no change in the capital multiplication factor over the preceding twelve months.



Model Risk Oversight

MRO is responsible for the independent model validation of all decision tools and models including trading market risk models. The validation activities are conducted in accordance with MRO policy, which incorporates regulatory guidance related to the evaluation of model conceptual soundness, ongoing monitoring, and outcomes analysis. As part of ongoing monitoring efforts, the performance of all trading risk models are reviewed regularly to preemptively address emerging developments in financial markets, assess evolving modeling approaches, and identify potential model enhancement.

Stress Testing

The Company uses a comprehensive range of stress testing techniques to help monitor risks across trading desks and to augment standard daily VaR and other risk limits reporting. The stress testing framework is designed to quantify the impact of extreme, but plausible, stress scenarios that could lead to large, unexpected losses. Stress tests include simulations for historical repeats and hypothetical risk factor shocks. All trading positions within each applicable market risk category (interest rate risk, equity risk, foreign exchange rate risk, credit spread risk, and commodity price risk) are included in the Company's comprehensive stress testing framework. Management reviews stress testing scenarios on an ongoing basis and makes updates, as necessary, which is intended to ensure that both current and emerging risks are captured appropriately. Management also utilizes stress analyses to support the Company's capital adequacy assessment standards. See the "Capital" section of MD&A for additional discussion of capital adequacy.

Liquidity

Liquidity represents the continuing ability to meet funding needs, including deposit withdrawals, repayment of borrowings and other liabilities, and funding of loan commitments. In addition to the level of liquid assets, such as cash, cash equivalents, and AFS securities, other factors affect the ability to meet liquidity needs, including access to a variety of funding sources, maintaining borrowing capacity, growing core deposits, loan repayment, and the ability to securitize or package loans for sale.

Truist monitors the ability to meet client demand for funds under both normal and stressed market conditions. In considering its liquidity position, management evaluates Truist's funding mix based on client core funding, client rate-sensitive funding, and national markets funding. In addition, management evaluates exposure to rate-sensitive funding sources that mature in one year or less. Management also measures liquidity needs against 30 days of stressed cash outflows for Truist and Truist Bank. To ensure a strong liquidity position and compliance with regulatory requirements, management maintains a liquid asset buffer of cash on hand and highly liquid unencumbered securities.

Internal Liquidity Stress Testing

Liquidity stress testing is designed to ensure that Truist and Truist Bank have sufficient liquidity for a variety of institution-specific and market-wide adverse scenarios. Each liquidity stress test scenario applies defined assumptions to execute sources and uses of liquidity over varying planning horizons. The types of expected liquidity uses during a stressed event may include deposit attrition, contractual maturities, reductions in unsecured and secured funding, and increased draws on unfunded commitments. To mitigate liquidity outflows, Truist has identified sources of liquidity; however, access to these sources of liquidity could be affected within a stressed environment.

Truist maintains a liquidity buffer of cash on hand and highly liquid unencumbered securities that is sufficient to meet the projected net stressed cash-flow needs and maintain compliance with regulatory requirements. The liquidity buffer consists of unencumbered highly liquid assets and Truist's liquidity buffer is substantially the same in composition to what qualifies as HQLA under the LCR Rule.

Contingency Funding Plan

Truist has a contingency funding plan designed to ensure that liquidity sources are sufficient to meet ongoing obligations and commitments, particularly in the event of a liquidity contraction. This plan is designed to examine and quantify the organization's liquidity under the various internal liquidity stress scenarios and is periodically tested to assess the plan's reliability. Additionally, the plan provides a framework for management and other teammates to follow in the event of a liquidity contraction or in anticipation of such an event. The plan addresses authority for activation and decision making, liquidity options, and the responsibilities of key departments in the event of a liquidity contraction.

LCR and HQLA

The LCR rule requires that Truist and Truist Bank maintain an amount of eligible HQLA that is sufficient to meet its estimated total net cash outflows over a prospective 30 calendar-day period of stress. Eligible HQLA, for purposes of calculating the LCR, is the amount of unencumbered HQLA that satisfy operational requirements of the LCR rule. Truist and Truist Bank are subject to the Category III reduced LCR requirements. Truist held average weighted eligible HQLA of $87.4 billion and Truist's average LCR was 113% for the three months ended March 31, 2023.

Effective July 2021, Truist became subject to final rules implementing the NSFR, which are designed to ensure that banking organizations maintain a stable, long-term funding profile in relation to their asset composition and off-balance sheet activities. At March 31, 2023, the Company was compliant with this requirement.

Sources of Funds

Management believes current sources of liquidity are sufficient to meet Truist's on- and off-balance sheet obligations. Truist funds its balance sheet through diverse sources of funding including client deposits, secured and unsecured capital markets funding, and shareholders' equity. Truist Bank's primary source of funding is client deposits. Continued access to client deposits is highly dependent on public confidence in the stability of Truist Bank and its ability to return funds to clients when requested.

Truist Bank maintains a number of diverse funding sources to meet its liquidity requirements. These sources include unsecured borrowings from the capital markets through the issuance of senior or subordinated bank notes, institutional CDs, overnight and term Federal funds markets, and retail brokered CDs. Truist Bank also maintains access to secured borrowing sources including FHLB advances, repurchase agreements, and the FRB discount window. Available investment securities could be pledged to create additional secured borrowing capacity. The following table presents a summary of Truist Bank's available secured borrowing capacity and eligible cash at the FRB:

Table 21: Selected Liquidity Sources

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Unused borrowing capacity:		
FRB	$ 53,291	$ 49,250
FHLB	24,678	20,770
Available investment securities (after haircuts)	56,626	85,401
Available secured borrowing capacity	134,595	155,421
Eligible cash at the FRB	31,544	15,556
Total	$ 166,139	$ 170,977

At March 31, 2023, Truist Bank's available secured borrowing capacity represented approximately 3.6 times the amount of wholesale funding maturities in one-year or less. Truist additionally has the ability to increase sources of funding by pledging available investment securities without a haircut on fair value under the FRB Bank Term Funding Program.

Parent Company

The Parent Company serves as the primary source of capital for the operating subsidiaries. The Parent Company's assets consist primarily of cash on deposit with Truist Bank, equity investments in subsidiaries, advances to subsidiaries, and notes receivable from subsidiaries. The principal obligations of the Parent Company are payments on long-term debt. The main sources of funds for the Parent Company are dividends and management fees from subsidiaries, repayments of advances to subsidiaries, and proceeds from the issuance of equity and long-term debt. The primary uses of funds by the Parent Company are investments in subsidiaries, advances to subsidiaries, dividend payments to common and preferred shareholders, repurchases of common stock, and payments on long-term debt. See "Note 22. Parent Company Financial Information" in Truist's Annual Report on Form 10-K for the year ended December 31, 2022 for additional information regarding dividends from subsidiaries and debt transactions.

Access to funding at the Parent Company is more sensitive to market disruptions. Therefore, Truist prudently manages cash levels at the Parent Company to cover a minimum of one year of projected cash outflows which includes unfunded external commitments, debt service, common and preferred dividends and scheduled debt maturities, without the benefit of any new cash inflows. Truist maintains a significant buffer above the projected one year of cash outflows. In determining the buffer, Truist considers cash requirements for common and preferred dividends, unfunded commitments to affiliates, serving as a source of strength to Truist Bank, and being able to withstand sustained market disruptions that could limit access to the capital markets. At March 31, 2023 and December 31, 2022, the Parent Company had 45 months and 37 months, respectively, of cash on hand to satisfy projected cash outflows, and 26 months and 22 months, respectively, when including the payment of common stock dividends.

Credit Ratings

Credit ratings are forward-looking opinions of rating agencies as to the Company's ability to meet its financial commitments and repay its securities and obligations in accordance with their terms of issuance. Credit ratings influence both borrowing costs and access to the capital markets. The Company's credit ratings are continuously monitored by the rating agencies and are subject to change at any time. As Truist seeks to maintain high-quality credit ratings, management meets with the major rating agencies on a regular basis to provide financial and business updates and to discuss current outlooks and trends. See Item 1A, "Risk Factors" in Truist's Annual Report on Form 10-K for the year ended December 31, 2022 for additional information regarding factors that influence credit ratings and potential risks that could materialize in the event of downgrade in the Company's credit ratings: Recent changes in the Company's credit ratings and outlooks include:

On March 31,2023, S&P Global Ratings affirmed the ratings of Truist and Truist Bank and revised the outlook on those ratings to "stable" from "positive," citing heightened market volatility in the wake of recent bank failures and, with inflation still elevated, higher uncertainty, and greater downside risk in the economic outlook. The change in outlook was part of a broader action by S&P Global Ratings whereby the "positive" outlook on three other large U.S. banks was revised to "stable."

Capital

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 the 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. Risk-based capital ratios, which include CET1 capital, Tier 1 capital, and Total capital are calculated based on regulatory guidance related to the measurement of capital and risk-weighted assets.

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 limits, which are above the regulatory "well capitalized" minimums. Management has implemented internal stress capital ratio minimums to evaluate whether capital ratios calculated after the effect of alternative capital actions are likely to remain above internal minimums. Breaches of internal stressed minimums prompt a review of the planned capital actions included in Truist's capital plan.

Table 22: Capital Requirements

		Well Capitalized		
	Minimum Capital	Truist	Truist Bank	Minimum Capital Plus Stress Capital Buffer(1)
CET1	4.5 %	NA	6.5 %	7.0 %
Tier 1 capital	6.0	6.0 %	8.0	8.5
Total capital	8.0	10.0	10.0	10.5
Leverage ratio	4.0	NA	5.0	NA
Supplementary leverage ratio	3.0	NA	NA	NA

(1) Reflects a SCB requirement of 2.5% applicable to Truist as of March 31, 2023. Truist's SCB requirement, received in the 2022 CCAR process, is effective from October 1, 2022 to September 30, 2023. Truist will receive a new preliminary SCB requirement, to become effective October 1, 2023, following the release of CCAR 2023 results in late June 2023.

Truist's capital ratios are presented in the following table:

Table 23: Capital Ratios - Truist Financial Corporation

(Dollars in millions)	Mar 31, 2023	Dec 31, 2022
Risk-based:	*(preliminary)*	
CET1	9.1 %	9.0 %
Tier 1 capital	10.6	10.5
Total capital	12.6	12.4
Leverage ratio	8.5	8.5
Supplementary leverage ratio	7.3	7.3
Risk-weighted assets	$ 436,549	$ 434,413

Capital ratios remained strong compared to the regulatory requirements for well capitalized banks. Truist declared common dividends of $0.52 per share during the first quarter of 2023. The dividend payout ratio for the first quarter of 2023 was 49%. Truist did not repurchase any shares in the first quarter of 2023 outside of standard activity related to equity compensation plans.

Truist CET1 ratio was 9.1% as of March 31, 2023. The increase since December 31, 2022 represents organic capital generation, partially offset by the CECL phase-in. Truist closed the sale of the minority stake in Truist Insurance Holdings on April 3, 2023, which adds 30 basis points and 24 basis points to the risk-based regulatory capital ratios and leverage ratios, respectively.

Share Repurchase Activity

Table 24: Share Repurchase Activity

(Dollars in millions, except per share data, shares in thousands)	Total Number of Shares Purchased(1)	Average Price Paid Per Share(2)	Total Number of Shares Purchased as part of Publicly Announced Plans(3)	Approximate Dollar Value of Shares that may yet be Purchased Under the Plans(3)
January 1, 2023 to January 31, 2023	—	$ —	—	$ 4,100
February 1, 2023 to February 28, 2023	2	48.84	—	4,100
March 1, 2023 to March 31, 2023	31	32.10	—	4,100
Total	33	$ 33.09	—	

(1) Includes shares exchanged or surrendered in connection with the exercise of equity-based awards under equity-based compensation plans.
(2) Excludes commissions.
(3) In July 2022, the Board of Directors approved, effective October 1, 2022, new repurchase authority to effectuate repurchases up to an aggregate of $4.1 billion in shares of the Company's common stock through September 30, 2023.

Critical Accounting Policies

The accounting and reporting policies of Truist are in accordance with GAAP and conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. Truist's financial position and results of operations are affected by management's application of accounting policies, including estimates, assumptions, and judgments made to arrive at the carrying value of assets and liabilities, and amounts reported for revenues and expenses. Different assumptions in the application of these policies could result in material changes in the consolidated financial position and/or consolidated results of operations, and related disclosures. Material estimates that are particularly susceptible to significant change include the determination of the ACL; determination of fair value for securities, MSRs, LHFS, trading loans, and derivative assets and liabilities; goodwill and other intangible assets; income taxes; and pension and postretirement benefit obligations. Understanding Truist's accounting policies is fundamental to understanding the consolidated financial position and consolidated results of operations. The critical accounting policies are discussed in MD&A in Truist's Annual Report on Form 10-K for the year ended December 31, 2022. Significant accounting policies and changes in accounting principles and effects of new accounting pronouncements are discussed in "Note 1. Basis of Presentation" in Form 10-K for the year ended December 31, 2022. Disclosures regarding the effects of new accounting pronouncements are included in "Note 1. Basis of Presentation" in this report. There have been no changes to the significant accounting policies during 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, the management of the Company, under the supervision and with the participation of the Company's CEO and CFO, carried out an evaluation of the effectiveness of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by the report.

Changes in Internal Control over Financial Reporting

Management of Truist is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to the Litigation and Regulatory Matters section in "Note 14. Commitments and Contingencies," which is incorporated by reference into this item.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in Truist's Annual Report on Form 10-K for the year ended December 31, 2022. Additional risks and uncertainties not currently known to Truist or that management has deemed to be immaterial also may materially adversely affect Truist's business, financial condition, or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Refer to the Share Repurchase Activity section in the MD&A, which is incorporated by reference into this item.

ITEM 6. EXHIBITS

Exhibit No.	Description	Location
10.1*	Form of Restricted Stock Unit Agreement (Senior Executive – 60/5 Retirement) for the Truist Financial Corporation 2022 Incentive Plan.	Filed herewith.
10.2*	Form of Performance Unit Award Agreement (Senior Executive – 60/5 Retirement) for the Truist Financial Corporation 2022 Incentive Plan.	Filed herewith.
10.3*	Form of Performance Unit Award Agreement (Senior Executive – 60/10 Retirement) for the Truist Financial Corporation 2022 Incentive Plan.	Filed herewith.
10.4*	Form of LTIP Award Agreement (Senior Executive – 60/5 Retirement) for the Truist Financial Corporation 2022 Incentive Plan.	Filed herewith.
10.5*	Form of LTIP Award Agreement (Senior Executive – 60/10 Retirement) for the Truist Financial Corporation 2022 Incentive Plan.	Filed herewith.
10.6*	2023 Employment Agreement by and between Truist Insurance Holdings, Inc. and John Howard.	Filed herewith.
11	Statement re computation of earnings per share.	Filed herewith as Computation of EPS note to the consolidated financial statements.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
101.INS	XBRL Instance Document – the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.	Filed herewith.
101.SCH	XBRL Taxonomy Extension Schema.	Filed herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith.
101.LAB	XBRL Taxonomy Extension Label Linkbase.	Filed herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith.
101.DEF	XBRL Taxonomy Definition Linkbase.	Filed herewith.
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits101).	Filed herewith.

* Management compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

			TRUIST FINANCIAL CORPORATION (Registrant)
Date:	May 1, 2023	By:	/s/ Michael B. Maguire Michael B. Maguire Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date:	May 1, 2023	By:	/s/ Cynthia B. Powell Cynthia B. Powell Executive Vice President and Corporate Controller (Principal Accounting Officer)

Exhibit 10.1

TRUIST FINANCIAL CORPORATION
2022 INCENTIVE PLAN
Restricted Stock Unit Agreement
(Performance-Based Vesting Component)

(Senior Executive)

Grant Date:	February 27, 2023
Dates Vested (Subject to Section 3):	March 15, 2025 as to 33.34% of the Award March 15, 2026 as to 33.33% of the Award March 15, 2027 as to 33.33% of the Award

THIS AGREEMENT (the "**Agreement**"), made effective as of February 27, 2023 the "**Grant Date**"), between TRUIST FINANCIAL CORPORATION, a North Carolina corporation ("**TFC**") for itself and its Affiliates, and the Employee (the "**Participant**") specified in the accompanying Notice of Grant and Agreement (the **"Notice of Grant"**), is made pursuant to and subject to the provisions of the Truist Financial Corporation 2022 Incentive Plan, as it may be amended and/or restated (the **"Plan"**).

RECITALS:

TFC desires to carry out the purposes of the Plan by affording the Participant an opportunity to acquire shares of TFC Common Stock, $5.00 par value per share (the "**Common Stock**"), as hereinafter provided.

In consideration of the foregoing, of the mutual promises set forth below and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. **Incorporation of Notice of Grant and Plan**. The Notice of Grant is part of this Agreement and incorporated herein. The rights and duties of TFC and the Participant under this Agreement shall in all respects be subject to and governed by the provisions of the Plan, the terms of which are incorporated herein by reference. In the event of any conflict between the provisions in this Agreement and those of the Plan, the provisions of the Plan shall govern. Unless otherwise provided herein, capitalized terms in this Agreement shall have the same definitions as set forth in the Plan.

2. **Grant of Restricted Stock Unit**. Subject to the terms of this Agreement and the Plan, TFC hereby grants the Participant a Restricted Stock Unit (the "**Award**") for the number of whole shares of Common Stock (the "**Shares**") specified in the Notice of Grant. The "**Restriction Period**" is the period beginning on the Grant Date and ending on such date or dates, and satisfaction of such conditions, as described in Section 3 and Section 4 herein. For the purposes herein, the Shares subject to the Award are units that will be reflected in a book account maintained by TFC and that will be settled in whole shares of Common Stock, if and to the extent permitted pursuant to this Agreement and the Plan. Prior to distribution of the Shares upon vesting of the Award, the Award shall represent an unsecured obligation of TFC, payable (if at all) only from TFC's general assets.

3. **<u>Vesting of Award</u>.** Subject to the terms of the Plan, this Agreement (including but not limited to the provisions of Section 4 and Section 5 herein), and the Performance Vesting Condition as defined below, the Award shall vest and become earned in the percentages and on the dates listed on the first page of this Agreement. As used herein, "**Performance Vesting Condition**" means, for any vesting year during the four (4) year vesting period, that the Administrator has not determined that all or any part of the unvested Award be cancelled as a result of either (i) a significant, negative risk outcome as a result of a corporate or individual action, or (ii) TFC incurring an operating loss for the fiscal year ending in the vesting year. The term "**fiscal year**" means the calendar fiscal year of TFC. The term "**vesting year**" means the twelve- (12-) month period ending on each anniversary of the Grant Date. The Administrator has sole authority to determine whether and to what degree the Award has vested and is payable and to interpret the terms and conditions of this Agreement and the Plan.

4. **<u>Termination of Employment; Forfeiture of Award; Effect of Change of Control.</u>**

(a) Except as may be otherwise provided in the Plan or Section 4(b) of this Agreement, in the event that the employment of the Participant with TFC or an Affiliate terminates for any reason and the Award has not vested pursuant to Section 3, then the Award, to the extent not vested as of the Participant's termination of employment date, shall be forfeited immediately upon such termination, and the Participant shall have no further rights with respect to the Award or the Shares underlying the Award. The Administrator (or its designee, to the extent permitted under the Plan) shall have sole discretion to determine if a Participant's rights have terminated pursuant to the Plan and this Agreement, including but not limited to the authority to determine the basis for the Participant's termination of employment. <u>The Participant expressly acknowledges and agrees that, except as otherwise provided herein, the termination of the Participant's employment shall result in forfeiture of the Award and the underlying Shares to the extent the Award has not vested as of the Participant's termination of employment date</u>. As used in this Agreement, the phrase "termination of employment" means a Separation from Service.

(b) Notwithstanding the provisions of Section 3 and Section 4(a), the following provisions shall apply if any of the following shall occur prior to March 15 following the fourth (4^{th}) year anniversary of the Grant Date:

(i) **<u>Involuntary Termination Without Cause Or With Good Reason</u>**. In the event that the Participant's employment with TFC or an Affiliate is involuntarily terminated for reasons other than "Cause" (as defined herein), including a termination where severance benefits become payable under an employer-sponsored plan applicable to the Participant or employment agreement, which includes a termination for "good reason" as defined in such plan or employment agreement, the Award shall continue to vest, if at all, in accordance with the provisions of Section 3 and Section 4 herein, based solely on the passage of time, contingent upon the Participant's execution of covenants not to solicit employees or clients of TFC or its Affiliates on terms generally applicable to similarly-situated executives. For purposes of this Agreement, a termination shall be for "**Cause**" if the termination is on account of the Participant's (a) dishonesty, theft or embezzlement; (b) refusal or failure to perform the Participant's assigned duties for TFC or an Affiliate in a satisfactory manner; or (c) engaging in any conduct that could be materially damaging to TFC or its Affiliates without a reasonable good faith belief that such conduct was in the best interest of TFC or any of its Affiliates. The determination of whether termination is for Cause shall be made by the Administrator (or its designee, to the extent permitted under the Plan), and its determination shall be final and conclusive. For the avoidance of doubt, if the Participant declines to execute reasonable covenants not to solicit employees or clients of TFC or its Affiliates, any unvested portion of the Award will be forfeited.

(ii) **<u>Death</u>**. In the event the Participant's employment with TFC or an Affiliate ends due to the Participant's death, the Award shall become fully vested upon the date of the Participant's death without regard to the vesting schedule set forth in Section 3 herein.

(iii) **<u>Disability</u>**. In the event that the Participant remains in the continuous employ of TFC or an Affiliate from the Grant Date until the date of the Participant's Disability (as determined by the Administrator or its designee in accordance with the Plan and, if applicable, Section 409A) the Award shall become fully vested upon the date of the Participant's Separation from Service on account of Disability without regard to the vesting schedule set forth in Section 3 herein.

(iv) **<u>Retirement</u>**. In the event that the Participant remains in the continuous employ of TFC or an Affiliate from the Grant Date until the Participant's termination of employment due to "Retirement," the Award shall continue to vest according to the vesting schedule set forth in Section 3 herein, if, and only if, the Participant has completed at least six (6) calendar months of continuous employment after the Grant Date (beginning with the first day of the calendar month following the Grant Date and ending on the last working day of the sixth (6th) calendar month). For purposes of this Award, "**Retirement**" occurs only when a Participant incurs a Separation from Service on or after the Participant's attainment of at least age 60 with at least 5 years of service with TFC and/or an Affiliate.

(v) **<u>Change of Control</u>**.

(A) In the event that there is "Change of Control," as defined in Section 4(b)(v)(B), of TFC subsequent to the date hereof, the Award shall become fully vested as of the date of Participant's involuntary termination without Cause or with good reason, as defined in Section 4(b)(i), without regard to the vesting schedule set forth in Section 3 herein. In the event Participant does not experience an involuntary termination without Cause or with good reason, as defined in Section 4(b)(i), following a Change of Control, the Award shall continue to vest, if at all, in accordance with the provisions of Section 3 and Section 4 herein.

(B) For purposes of this Section 4(b)(v), a "**Change of Control**" will be deemed to have occurred on the earliest of the following dates: (i) the date any person or group of persons (as defined in Section 13(d) and 14(d) of the

Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), together with its affiliates, excluding employee benefit plans of TFC and its Affiliates, is or becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act) of securities of TFC representing thirty percent (30%) or more of the combined voting power of TFC's then outstanding securities; or (ii) the date when, as a result of a tender offer or exchange offer for the purchase of securities of TFC (other than such an offer by TFC for its own securities), or as a result of a proxy contest, merger, consolidation or sale of assets, or as a result of any combination of the foregoing, individuals who at the beginning of any consecutive twelve- (12-) month period during the Restriction Period of the Award constituted TFC's Board, plus new directors whose election or nomination for election by TFC's shareholders is approved by a vote of at least two-thirds of the directors still in office who were directors at the beginning of such twelve- (12-) month period (collectively, the "**Continuing Directors**"), cease for any reason during such twelve- (12-) month period to constitute at least two-thirds of the members of such board of directors; (iii) the date that a transaction for the sale or disposition by TFC of all or substantially all of TFC's assets (within the meaning of Section 409A) closes or is otherwise successfully consummated; or (iv) the date that any one person, or more than one person acting as a group, acquires ownership of stock of TFC that, together with stock held by such person or group constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of TFC within the meaning of Section 409A.

5. **Settlement of Award and Distribution of Shares**.

(a) Upon vesting, the Award shall be payable in whole shares of Common Stock. Fractional Shares shall not be issuable hereunder, and unless the Administrator determines otherwise, any such fractional Share shall be disregarded.

(b) Shares of Common Stock subject to the Award shall, upon vesting of the Award, be issued and distributed to the Participant (or if the Participant is deceased, to the Participant's beneficiary or beneficiaries) in a lump sum within two and one-half (2 ½) months after the end of the Restriction Period (provided that if such two and one-half (2 ½) month period begins in one calendar year and ends in another, the Participant (or the Participant's beneficiary or beneficiaries) shall not have the right to designate the calendar year of payment).

6. **No Right to Continued Employment or Service**. Neither the Plan, the grant of the Award, nor any other action related to the Plan shall confer upon the Participant any right to continue in the employment or service of TFC or an Affiliate or affect in any way with the right of TFC or an Affiliate to terminate the Participant's employment or service at any time. Except as otherwise expressly provided in the Plan or this Agreement or as determined by the Administrator, all rights of the Participant with respect to the Award shall terminate upon termination of the employment or service of the Participant with TFC or an Affiliate. The grant of the Award does not create any obligation on the part of TFC or an Affiliate to grant any further Awards. So long as the Participant shall continue to be an Employee of TFC or an Affiliate, the Award shall not be affected by any change in the duties or position of the Participant.

7. **Nontransferability of Award and Shares**. The Award shall not be transferable (including by sale, assignment, pledge or hypothecation) other than by will or the laws of intestate succession. The designation of a beneficiary in accordance with Plan procedures does not constitute a transfer; provided, however, that unless disclaimer provisions are specifically included in a beneficiary designation form accepted by the Administrator, no beneficiary of the Participant may disclaim the Award. The Participant shall not sell, transfer, assign, pledge or otherwise encumber the Shares subject to the Award until the Restriction Period has expired and all conditions to vesting and distribution have been met.

8. **Non-solicitation Covenants**.

(a) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit or recruit for employment or encourage to leave employment with TFC, on Participant’s own behalf or that of any other person any employee of TFC with whom Participant worked during Participant’s employment or about whom Participant came to know confidential information as a result of employment with TFC and who has not thereafter ceased to be employed by TFC for a period of at least three (3) months. This provision will not prohibit the Participant from soliciting or hiring any person who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet database, or recruiting or employment agencies, not specifically directed at employees of TFC. Participant acknowledges that by virtue of this provision, they are likewise restricted from being solicited or recruited for employment by current or former employee of Truist also bound by a similar provision, directly or indirectly and hereby knowingly consents to that restriction. This Section shall not prohibit Participant from responding to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet databases, or recruiting or employment agencies, not specifically directed at employees or consultants of Truist.

(b) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit, communicate with or otherwise contact any of TFC’s customers with whom Participant had material contact during employment with TFC, for the purpose of conducting any business with them on behalf of any person or entity other than TFC which is substantially similar to the business conducted by the business unit in which Participant last worked at TFC. Participant will not directly or indirectly solicit, communicate with or otherwise contact any of Truist’s third-party vendors with whom Participant had material contact during employment with Truist, for the purpose of diverting their business away from Truist to any person or entity other than Truist which is substantially similar to the business conducted by the business unit in which Participant last worked at Truist, or otherwise disrupting Truist’s relationship with the third-party vendor. “Material contact” means (i) actual contact with Business Partner, third-party vendors or customers—such as through the provision or receipt of services or sales visits or calls—or (ii) coming to know confidential information about a TFC vendor or customer—such as by obtaining pricing and sales information. This provision does not prohibit Participant from accepting as a vendor or client any person or entity who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, or internet databases, not specifically directed at Business Partner, vendors or customers of TFC.

(c) Participant agrees that the preceding provisions are reasonable and necessary to protect TFC's legitimate business interests and that they will not unreasonably interfere with Participant's ability to earn a living following his/her separation from TFC. Finally, Participant agrees that, in the event Participant breaches or threatens to breach these non-solicitation provision, such breach will cause irreparable harm and injury to TFC and will leave TFC with no adequate remedy at law, and (i) TFC may seek equitable relief, without the necessity of posting a bond, in addition to monetary damages and any other appropriate relief; and (ii) TFC will be entitled to its reasonable attorneys' fees and costs incurred in enforcing this provision.

(d) Participant and TFC agree that any of the preceding non-solicitation provisions is ever determined by a court to exceed the time, scope, or geographic limitations permitted by applicable law, then such provision(s) will be reformed to the maximum time, scope, and geographic limitations permitted by law. If any such provision(s) cannot be so reformed, then such provision will be severed from this Agreement and will not adversely affect the legality, validity, or enforceability of any of the remaining provisions in this Agreement.

9. **Superseding Agreement; Binding Effect**. This Agreement supersedes any statements, representations or agreements of TFC with respect to the grant of the Award or any related rights, and the Participant hereby waives any rights or claims related to any such statements, representations or agreements. This Agreement does not supersede or amend any existing confidentiality agreement, nonsolicitation agreement, noncompetition agreement, employment agreement or any other similar agreement between the Participant and TFC or an Affiliate, including, but not limited to, any restrictive covenants contained in such agreements.

10. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the principles of conflicts of law, and in accordance with applicable United States federal laws.

11. **Amendment and Termination; Waiver**. Subject to the terms of the Plan, this Agreement may be amended or terminated only by the written agreement of the parties hereto. The waiver by TFC of a breach of any provision of this Agreement by the Participant shall not operate or be construed as a waiver of any subsequent breach by the Participant. Notwithstanding the foregoing, the Administrator shall have unilateral authority to amend the Plan and this Agreement (without Participant consent) to the extent necessary to comply with applicable law or changes to applicable law (including but in no way limited to Section 409A and federal securities laws), and the Participant hereby consents to any such amendments to the Plan and this Agreement.

12. **Issuance of Shares; Rights as Shareholder**. The Participant and the Participant's legal representatives, legatees or distributees shall not be deemed to be the holder of any Shares subject to the Award and shall not have any voting rights, dividend rights or other rights of a shareholder unless and until such Shares have been issued to the Participant or them. No Shares subject to the Award shall be issued at the time of grant of the Award. Shares subject to the Award shall be issued in the name of the Participant (or if the Participant is deceased, in the name of the Participant's beneficiary or beneficiaries) as soon as practicable after, and only to the extent that, the Award has vested and if such distribution is otherwise permitted under the terms of Section 5 herein. **Neither dividends nor dividend equivalent rights shall be granted in connection with the Award, and the Award shall not be adjusted to reflect the distribution of any dividends on the Common Stock (except as may be otherwise provided under the Plan). No dividends on the Shares shall be payable prior to both (i) the vesting of the Award and (ii) the issuance and distribution of Shares to the Participant.**

13. **Withholding; Tax Matters; Fees**.

(a) TFC shall report all income and prior to the delivery or transfer of Shares or any other benefit conferred under the Plan, TFC or its agent shall withhold all required local, state, federal, foreign and other income tax obligations and any other amount required to be withheld by any governmental authority or law and paid over by TFC to such authority for the account of such recipient. In accordance with procedures established by the Administrator (including, without limitation, procedures established by the Administrator after TFC's adoption of ASU 2016-09, *Compensation – Stock Compensation (Topic 718)* dated March, 2016), the Participant may arrange to pay all applicable taxes in cash; or in the event the Participant does not make such arrangements, such tax obligations shall be satisfied by the withholding or sale of Shares to which the Participant is entitled, and the number of Shares to be withheld or sold shall have a Fair Market Value as of the date that the amount of tax to be withheld is determined as nearly equal as possible to the amount of such obligations being satisfied.

(b) TFC has made no warranties or representations to the Participant with respect to the tax consequences (including but not limited to income tax consequences) related to the Award or issuance, transfer or disposition of Shares (or any other benefit) pursuant to the Award, and the Participant is in no manner relying on TFC or its representatives for an assessment of such tax consequences. The Participant acknowledges that there may be adverse tax consequences with respect to the Award (including but not limited to the acquisition or disposition of the Shares subject to the Award) and that the Participant should consult a tax advisor prior to such acquisition or disposition. The Participant acknowledges that the Participant has been advised that the Participant should consult with the Participant's own attorney, accountant, and/or tax advisor regarding the decision to enter into this Agreement and the consequences thereof. The Participant also acknowledges that TFC has no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for the Participant.

(c) All third party fees relating to the release, delivery, or transfer of any Award or Shares shall be paid by the Participant or other recipient. To the extent the Participant or other recipient is entitled to any cash payment from TFC or any of its Affiliates, the Participant hereby authorizes the deduction of such fees from such payment(s) without further action or authorization of the Participant or other recipient; and to the extent the Participant or other recipient is not entitled to any such payments, the Participant or other recipient shall pay TFC or its designee an amount equal to such fees immediately upon the third party's charge of such fees.

14. **Administration**. The authority to construe and interpret this Agreement and the Plan, and to administer all aspects of the Plan, shall be vested in the Administrator, and the Administrator shall have all powers with respect to this Agreement as are provided in the Plan. Any interpretation of this Agreement by the Administrator and any decision made by it with respect to this Agreement is final and binding on the parties hereto.

15. **Notices**. Any and all notices under this Agreement shall be in writing and sent by hand delivery or by certified or registered mail (return receipt requested and first-class postage prepaid), in the case of TFC, to its Human Resources Division, 214 N Tryon Street, Charlotte, NC 28202, attention: Chief Human Resources Officer, and in the case of the Participant, to the last known address of the Participant as reflected in TFC's records.

16. **Severability**. The provisions of this Agreement are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. **Compliance with Laws; Restrictions on Award and Shares**. TFC may impose such restrictions on the Award and the Shares or other benefits underlying the Award as it may deem advisable, including without limitation restrictions under the federal securities laws, federal tax laws, the requirements of any stock exchange or similar organization and any blue sky, state or foreign securities laws applicable to such Award or Shares. Notwithstanding any other provision in the Plan or this Agreement to the contrary, TFC shall not be obligated to issue, deliver or transfer any shares of Common Stock, make any other distribution of benefits under the Plan, or take any other action, unless such delivery, distribution or action is in compliance with all applicable laws, rules and regulations (including but not limited to the requirements of the Securities Act). TFC may cause a restrictive legend or legends to be placed on any Shares issued pursuant to the Award in such form as may be prescribed from time to time by applicable laws and regulations or as may be advised by legal counsel.

18. **Successors and Assigns**. Subject to the limitations stated herein and in the Plan, this Agreement shall be binding upon and inure to the benefit of the Participant and the Participant's executors, administrators and permitted transferees and beneficiaries and TFC and its successors and assigns.

19. **Counterparts; Further Instruments**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties hereto agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

20. **Right of Offset**. Notwithstanding any other provision of the Plan or this Agreement, subject to any applicable laws to the contrary, TFC may reduce the amount of any benefit or payment otherwise payable to or on behalf of the Participant by the amount of any obligation of the Participant to TFC or an Affiliate that is or becomes due and payable, and the Participant shall be deemed to have consented to such reduction; provided, however, that to the extent Section 409A is applicable, such offset shall not exceed the greater of Five Thousand Dollars ($5,000) or the maximum offset amount then permitted under Section 409A.

21. **Adjustment of Award**.

(a) The Administrator shall have authority to make adjustments to the terms and conditions of the Award in recognition of unusual or nonrecurring events affecting TFC or any Affiliate, or the financial statements of TFC or any Affiliate, or of changes in applicable laws, regulations or accounting principles, if the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or necessary or appropriate to comply with applicable laws, rules or regulations.

(b) Notwithstanding anything contained in the Plan or elsewhere in this Agreement to the contrary, (i) the Administrator, in order to comply with applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act) and any risk management requirements and/or policies adopted by TFC, retains the right at all times to decrease or terminate the Award and payments under the Plan, and any and all amounts payable under the Plan or paid under the Plan shall be subject to clawback, forfeiture, and reduction to the extent determined by the Administrator as necessary to comply with applicable law and/or policies adopted by TFC; and (ii) in the event any legislation, regulation(s), or formal or informal guidance require(s) any compensation payable under the Plan (including, without limitation, the Award) to be deferred, reduced, eliminated, or subjected to vesting, the Award shall be deferred, reduced, eliminated, paid in a different form, or subjected to vesting or other restrictions as, and solely to the extent, required by such legislation, regulation(s), or formal or informal guidance.

22. Award Conditions.

(a) Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that either (i) the Administrator or the Board of Governors of the Federal Reserve System determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to improve the risk sensitivity of the Award, whether by (a) adjusting the Award quantitatively or judgmentally based on the risk the Participant's activities pose to TFC or an Affiliate; (b) extending the Restriction Period for determining the Award; (c) extending the Restriction Period and adjusting for actual losses or other performance issues; or (d) otherwise as required by the Administrator or the Federal Reserve System; or (ii) the Administrator or the United States government (including, without limiting any agency thereof) determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to comply with any applicable law, regulation, or requirement; then this Agreement and/or the Award shall be automatically amended to incorporate such change, without further action of the Participant, and the Administrator shall provide the Participant notice thereof.

(b) Notwithstanding anything contained in the Plan or this Agreement to the contrary, to the extent that either the Administrator or the United States government (including, without limitation, any agency thereof) determines that the Award granted to the Participant pursuant to this Agreement is prohibited or substantially restricted by, or subjects TFC or an Affiliate to any adverse tax consequences that TFC or an Affiliate is not otherwise subject to on the Grant Date because of, any current or future United States law, any rule, regulation, or other authority, then this Agreement shall automatically terminate effective as of the Grant Date and the Award shall automatically be cancelled as of the Grant Date without further action on the part of the Administrator or the Participant and without any compensation to the Participant for such termination and cancellation. The Administrator agrees to provide notice to the Participant of any such termination and cancellation.

IN WITNESS WHEREOF, TFC and the Participant have entered into this Agreement effective as of the Grant Date. Should the Participant fail to acknowledge his or her electronic acceptance of this Agreement, this Agreement may become null and void as of the Grant Date, and the Participant may forfeit any and all rights hereunder at the discretion of the Administrator.

* * *

Exhibit 10.2

TRUIST FINANCIAL CORPORATION
2022 INCENTIVE PLAN
Performance Unit Award Agreement
(Senior Executive – 60/5 Retirement)

Grant Date:	February 27, 2023
Performance Period:	January 1, 2023 through December 31, 2025

THIS AGREEMENT (the "**Agreement**"), made effective as of February 27, 2023 (the "**Grant Date**"), between TRUIST FINANCIAL CORPORATION, a North Carolina corporation ("**TFC**"), for itself and its Affiliates, and the Employee (the "**Participant**") specified in the accompanying Notice of Grant and Agreement (the "**Notice of Grant**"), is made pursuant to and subject to the provisions of the Truist Financial Corporation 2022 Incentive Plan, as it may be amended and/or restated (the "**Plan**").

RECITALS:

TFC desires to carry out the purposes of the Plan by affording the Participant an opportunity to acquire shares of TFC Common Stock, $5.00 par value per share (the "**Common Stock**"), as hereinafter provided.

In consideration of the foregoing, of the mutual promises set forth below and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. **Incorporation of Notice of Grant and Plan**. The Notice of Grant is part of this Agreement and incorporated herein. The rights and duties of TFC and the Participant under this Agreement shall in all respects be subject to and governed by the provisions of the Plan, the terms of which are incorporated herein by reference. In the event of any conflict between the provisions in the Agreement and those of the Plan, the provisions of the Plan shall govern. Unless otherwise provided herein, capitalized terms in this Agreement shall have the same definitions as set forth in the Plan.

2. **Grant of Performance Units**. Subject to the terms of this Agreement and the Plan, TFC hereby grants the Participant an Award of Performance Units (the "**Award**") for the number of whole shares of Common Stock at the Target Level of Achievement (the "**Shares**") specified in the Notice of Grant and in accordance with the following provisions:

(a) **Performance Period**. The performance period ("**Performance Period**") for the Award shall be January 1, 2023 through December 31, 2025.

(b) **Partial Performance Period**.

(i) (1) *Death or Disability*. If the Participant ceases to be a Participant in the Plan during the Performance Period due to the Participant's termination of employment due to death or Disability, the Participant's Award for the Performance Period shall be payable in accordance with this Agreement, based upon the attainment of the Absolute Performance Goal and at least one

Threshold Level of Achievement as provided in Section 2(c) and **Exhibit A** herein; provided that, in the case of a Change of Control, the Performance Period shall end as of the later of the date of the Change of Control or the termination of the Participant's employment due to death or Disability, and payment shall be made, within two and one-half (2 ½) months following the later of a Change of Control or the termination of the Participant's employment due to death or Disability, as provided in Section 5 herein, calculated as provided in Section 2(c)(v) below. For the avoidance of doubt, the phrase "termination of employment" means a Separation from Service.

(2) *Involuntary Termination Without Cause, Good Reason, and Retirement*. If the Participant ceases to be a Participant in the Plan during the Performance Period due to the Participant's termination of employment (A) involuntarily by the Company and/or its Affiliates without "Cause" (as defined below), including a termination where severance benefits become payable under an employer-sponsored plan applicable to the Participant or employment agreement, which includes a termination for "good reason" as defined in such plan or employment agreement, or (B) due to Retirement (as defined below), the Participant's Award for the Performance Period shall be payable in accordance with this Agreement, based upon the attainment of the Absolute Performance Goal and at least one Threshold Level of Achievement as provided in Section 2(c) and **Exhibit A** herein; provided that, if the Participant's termination of employment is involuntarily by the Company and/or its Affiliates without Cause, payment of the Award is contingent upon the Participant's execution of covenants not to solicit employees or clients of TFC or its Affiliates on terms generally applicable to similarly-situated executives. In the case of a Change of Control, the Performance Period shall end as of the later of the date of the Change of Control or the termination of the Participant's employment due to involuntary termination with Cause or good reason, and payment shall be made, within two and one-half (2 ½) months following the later of a Change of Control or the termination of the Participant's employment due to involuntary termination with Cause or good reason, as provided in Section 5 herein, calculated as provided in Section 2(c)(v) below. A termination shall be for "**Cause**" if the termination of the Participant's employment by the Company and/or its Affiliates is on account of the Participant's (x) dishonesty, theft or embezzlement; (y) refusal or failure to perform the Participant's assigned duties for TFC or an Affiliate in a satisfactory manner; or (z) engaging in any conduct that could be materially damaging to TFC or its Affiliates without a reasonable good faith belief that such conduct was in the best interest of TFC or any of its Affiliates. The determination of whether termination is for Cause shall be made by the Administrator (or its designee, to the extent permitted under the Plan), and its determination shall be final and conclusive. The phrase "termination of employment" means a Separation from Service. For purposes of this Award, "**Retirement**" occurs only when a Participant incurs a Separation from Service on or after the Participant's attainment of at least age

60 with at least 5 years of service with TFC and/or an Affiliate. If the Participant's termination of employment is involuntarily by the Company and/or its Affiliates without Cause and the Participant declines to execute reasonable covenants not to solicit employees or clients of TFC or its Affiliates, any unvested portion of the Award will be forfeited.

(c) **Performance Measures for Award**. The pre-established three- (3-) year Performance Period's Performance Measures (as defined in Section 2(c)(i) below) applicable to the Award and Levels of Achievement are as follows:

(i) Performance Measures:

(aa) Absolute Performance Goal: The average return on average shareholders' common equity for TFC during the Performance Period, as adjusted by TFC ("**TFC ROACE**"), must be at least seven percent (7%), and if less than seven percent (7%) there will not be an Award payout.

(bb) Relative Performance Goals: If the Absolute Performance Goal is achieved, the next Performance Measure shall be the average return on shareholders' average common equity for TFC during the Performance Period, determined in accordance with United States generally accepted accounting principles, as adjusted by TFC ("**TFC ROACE**"), relative to the average, by company, return on average shareholders' common equity, determined in accordance with United States generally accepted accounting principles, achieved by each company, as adjusted by TFC, of the Peer Group during the Performance Period ("**Peer Group ROACE**").

(cc) Relative TSR Modifier: After the Level of Achievement of the Relative Performance Goal is determined by the Administrator as provided in this Agreement, the Relative TSR Modifier shall be determined and applied in accordance with the TSR Modifier chart in **Exhibit A** attached hereto and made a part hereof. As used in this Agreement, "**Relative Total Shareholder Return**" and "**Relative TSR**" mean TFC's total Common Stock shareholder return performance rank defined as a percentile for the Performance Period relative to the range of the Peer Group members' total common stock shareholder return for the Performance Period. Total shareholder return for TFC and each Peer Group member shall be calculated based upon TFC's Common Stock and the Peer Group members' common stock appreciation during the Performance Period plus the value of dividends paid during the Performance Period on such stock (which dividends shall be deemed to have been reinvested in such underlying stock).

(ii) For purposes of the Relative Performance Goal of the Award, there shall be levels of achievement ("**Level of Achievement**"), including threshold ("**Threshold**"), target ("**Target**"), and maximum ("**Maximum**"). For TFC ROACE the Threshold Level of Achievement shall be a TFC ROACE of the twenty-fifth (25th) percentile of the Peer Group ROACE; the Target Level of Achievement shall be a TFC ROACE of the fiftieth (50th) percentile of the Peer Group ROACE; and the Maximum Level of Achievement shall be a TFC ROACE of the seventy-fifth (75th) percentile of the Peer Group ROACE. The Levels of Achievement range from the Threshold Level of Achievement to the Maximum Level of Achievement as illustrated in the Level of Achievement Chart attached hereto as **Exhibit A** and made a part hereof.

(iii) If the Threshold Level of Achievement is not attained for the Performance Period, there will not be an Award payout for the Relative Performance Goal. If the Threshold Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be fifty percent (50%) of the Shares. If the Target Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be one hundred percent (100%) of the Shares. If the Maximum Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be one hundred fifty percent (150%) of the Shares.

(iv) For purposes hereof, the term "Peer Group" means Bank of America Corporation; Citizens Financial Group, Inc.; Fifth-Third Bancorp; JPMorgan Chase and Company; KeyCorp; M&T Bank Corporation; PNC Financial Services Group, Inc.; Regions Financial Corporation; U.S. Bancorp; Wells Fargo & Company.

(v) *Change of Control*. If there is a Change of Control during the Performance Period, the Participant's Award shall be calculated as follows: provided that the Absolute Performance Goal of Section 2(c)(i)(aa) is met for the completed calendar year(s) prior to the Change of Control (and if there are no completed calendar years prior to the Change of Control, the Absolute Performance Goal of Section 2(c)(i)(aa) shall be deemed to be met), Participant's Award shall be the sum of (1) and (2) as follows (and payable in accordance with Section 5 of this Agreement): (1) for completed calendar year(s) prior to the Change of Control, an Award amount shall be calculated by multiplying the Shares by a fraction, the numerator of which is the number of completed year(s) and the denominator of which is 3, and then by determining the actual Level of Achievement attained during such completed calendar year(s) as provided in Section 2(c) and **Exhibit A**, applied thereto for the completed calendar year(s) of the Performance Period; and (2) for the remaining uncompleted calendar year(s) in the Performance Period, an Award amount calculated by multiplying the Shares by a fraction, the numerator of which is the number of uncompleted calendar year(s) and the denominator of which is 3, and then multiplying the product thereof by the Target Level of Achievement for the Relative Performance Goals in **Exhibit A.** For the avoidance of doubt, a Change of Control will not, by itself, shorten the Performance Period.

(vi) For purposes of Section 2(c)(v) above, a "**Change of Control**" will be deemed to have occurred on the earliest of the following dates: (A) the date any person or group of persons (as defined in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), together with its affiliates, excluding employee benefit plans of TFC and its Affiliates, is or becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act) of securities of TFC representing thirty percent (30%) or more of the combined voting power of TFC's then outstanding securities; or (B) the date when, as a result of a tender offer or exchange offer for the purchase of securities of TFC (other than such an offer by TFC for its own securities), or as a result of a proxy contest, merger, consolidation or sale of assets, or as a result of any combination of the foregoing, individuals who at the beginning of any consecutive twelve- (12-) month period during the Performance Period of the Award constituted TFC's Board, plus new directors whose election or nomination for election by TFC's shareholders is approved by a vote of at least two-thirds of the directors still in office who were directors at the beginning of such twelve- (12-) month period (collectively, the "**Continuing Directors**"), cease for any reason during such twelve- (12-) month period to constitute at least two-thirds of the members of such board of directors; (C) the date that a transaction for the sale or disposition by TFC of all or substantially all of TFC's assets (within the meaning of Section 409A) closes or is otherwise successfully consummated; or (D) the date that any one person, or more than one person acting as a group, acquires ownership of stock of TFC that, together with stock held by such person or group constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of TFC within the meaning of Section 409A.

3. **Vesting of Award.** Subject to the terms of the Plan and the Agreement (including but not limited to the provisions of Sections 2, 4 and 5 herein), the Award shall be 100% vested and, to the extent any Award payout is determined by the Administrator, earned on March 15, 2026, following the December 31, 2025 expiration of the Performance Period, provided that the Administrator has not determined that all or any part of the Award shall be cancelled or forfeited as a result of either (i) a significant, negative risk outcome as a result of a corporate or individual action, or (ii) TFC incurring an aggregate operating loss for the Performance Period. The Administrator has sole authority to determine whether and to what degree the Award has vested and is payable and to interpret the terms and conditions of this Agreement and the Plan.

4. **Forfeiture of Award**. Except as may be otherwise provided in the Plan or in this Agreement (including, without limitation, the provisions of Section 2(b) herein), in the event that the employment of the Participant with TFC or an Affiliate terminates for any reason and the Award has not vested pursuant to Section 3, then the Award, to the extent not vested as of the Participant's termination of employment date, shall be forfeited immediately upon such termination, and the Participant shall have no further rights with respect to the Award. The Administrator (or its designee, to the extent permitted under the Plan) shall have sole discretion to determine if a Participant's rights have terminated pursuant to the Plan and this Agreement, including but not limited to the authority to determine the basis for the Participant's termination of employment. The Participant expressly acknowledges and agrees that, except as otherwise provided in this Agreement, the termination of the Participant's employment shall result in forfeiture of the Award and any underlying payout to the extent the Award has not vested as of the Participant's termination of employment date.

5. **Award Payout.**

(a) The amount of the Award payout, if any, shall be determined by the Administrator following the end of the Performance Period in accordance with the terms of this Agreement and the Plan including, without limitation, all applicable adjustments to the calculation of the Performance Measures.

(b) The Award payout determined pursuant to Section 5(a) shall be payable, and paid, in shares of Common Stock.

(c) Award payout shall, upon vesting of the Award, be made to the Participant (or in the event of the Participant's death, to the Participant's beneficiary or beneficiaries) in a lump sum within two and one-half (2 ½) months following the end of the Performance Period, or the end of the Partial Performance Period as defined in Section (2)(b) (provided that if such two and one-half (2 ½) month period begins in one calendar year and ends in another, the Participant (or the Participant's beneficiary or beneficiaries) shall not have the right to designate the calendar year of payment).

6. **No Right to Continued Employment or Service**. Neither the Plan, the grant of the Award, nor any other action related to the Plan shall confer upon the Participant any right to continue in the employment or service of TFC or an Affiliate or affect in any way with the right of TFC or an Affiliate to terminate the Participant's employment or service at any time. Except as otherwise expressly provided in the Plan or this Agreement or as determined by the Administrator, all rights of the Participant with respect to the Award shall terminate upon termination of the employment or service of the Participant with TFC or an Affiliate. The grant of the Award does not create any obligation on the part of TFC or an Affiliate to grant any further awards. So long as the Participant shall continue to be an Employee of TFC or an Affiliate, the Award shall not be affected by any change in the duties or position of the Participant.

7. **Nontransferability of Award and Shares**. The Award, and any Award payout, shall not be transferable (including by sale, assignment, pledge or hypothecation) other than by will or the laws of intestate succession. The designation of a beneficiary in accordance with Plan procedures does not constitute a transfer; provided, however, that unless disclaimer provisions are specifically included in a beneficiary designation form accepted by the Administrator, no beneficiary of the Participant may disclaim the Award.

8. **Non-solicitation Covenants**.

(a) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit or recruit for employment or encourage to leave employment with TFC, on Participant's own behalf or that of any other person any employee of TFC with whom Participant worked during Participant's employment or about whom Participant came to know confidential information as a result of employment with TFC and who has not thereafter ceased to be employed by TFC for a period of at least three (3) months. This provision will not prohibit the Participant from soliciting or hiring any person who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet database, or recruiting or employment agencies, not specifically directed at employees of TFC. Participant acknowledges that by virtue of this provision, they are likewise restricted from being solicited or recruited for employment by current or former employee of Truist also bound by a similar provision, directly or indirectly and hereby knowingly consents to that restriction. This Section shall not prohibit Participant from responding to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet databases, or recruiting or employment agencies, not specifically directed at employees or consultants of Truist.

(b) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit, communicate with or otherwise contact any of TFC's customers with whom Participant had material contact during employment with TFC, for the purpose of conducting any business with them on behalf of any person or entity other than TFC which is substantially similar to the business conducted by the business unit in which Participant last worked at TFC. Participant will not directly or indirectly solicit, communicate with or otherwise contact any of Truist's third-party vendors with whom Participant had material contact during employment with Truist, for the purpose of diverting their business away from Truist to any person or entity other than Truist which is substantially similar to the business conducted by the business unit in which Participant last worked at Truist, or otherwise disrupting Truist's relationship with the third-party vendor. "Material contact" means (i) actual contact with Business Partner, third-party vendors or customers—such as through the provision or receipt of services or sales visits or calls—or (ii) coming to know confidential information about a TFC vendor or customer—such as by obtaining pricing and sales information. This provision does not prohibit Participant from accepting as a vendor or client any person or entity who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, or internet databases, not specifically directed at Business Partner, vendors or customers of TFC.

(c) Participant agrees that the preceding provisions are reasonable and necessary to protect TFC's legitimate business interests and that they will not unreasonably interfere with Participant's ability to earn a living following his/her separation from TFC. Finally, Participant agrees that, in the event Participant breaches or threatens to breach these non-solicitation provision, such breach will cause irreparable harm and injury to TFC and will leave TFC with no adequate remedy at law, and (i) TFC may seek equitable relief, without the necessity of posting a bond, in addition to monetary damages and any other appropriate relief; and (ii) TFC will be entitled to its reasonable attorneys' fees and costs incurred in enforcing this provision.

(d) Participant and TFC agree that any of the preceding non-solicitation provisions is ever determined by a court to exceed the time, scope, or geographic limitations permitted by applicable law, then such provision(s) will be reformed to the maximum time, scope, and geographic limitations permitted by law. If any such provision(s) cannot be so reformed, then such provision will be severed from this Agreement and will not adversely affect the legality, validity, or enforceability of any of the remaining provisions in this Agreement.

9. **Superseding Agreement; Binding Effect**. This Agreement supersedes any statements, representations or agreements of TFC with respect to the grant of the Award or any related rights, and the Participant hereby waives any rights or claims related to any such statements, representations or agreements. This Agreement does not supersede or amend any existing confidentiality agreement, nonsolicitation agreement, noncompetition agreement, employment agreement or any other similar agreement between the Participant and TFC or an Affiliate, including, but not limited to, any restrictive covenants contained in such agreements.

10. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the principles of conflicts of law, and in accordance with applicable United States federal laws.

11. **Amendment and Termination; Waiver**. Subject to the terms of the Plan, this Agreement may be amended or terminated only by the written agreement of the parties hereto. The waiver by TFC of a breach of any provision of the Agreement by the Participant shall not operate or be construed as a waiver of any subsequent breach by the Participant. Notwithstanding the foregoing, the Administrator shall have unilateral authority to amend the Plan and this Agreement (without Participant consent) to the extent necessary to comply with applicable law or changes to applicable law (including but in no way limited to Section 409A and federal securities laws), and the Participant hereby consents to any such amendments to the Plan and this Agreement.

12. **Issuance of Shares; Rights as Shareholder**. The Participant and the Participant's legal representatives, legatees or distributees shall not be deemed to be the holder of any Shares subject to the Award and shall not have any voting rights, dividend rights or other rights of a shareholder unless and until such Shares have been issued to the Participant or them. No Shares subject to the Award shall be issued at the time of grant of the Award. Shares subject to the Award shall be issued in the name of the Participant (or, if the Participant is deceased, in the name of the Participant's beneficiary or beneficiaries) as soon as practicable after, and only to the extent that, the Award has vested and if such distribution is otherwise permitted under the terms of Section 5 herein. **Neither dividends nor dividend equivalent rights shall be granted in connection with the Award, and the Award shall not be adjusted to reflect the distribution of any dividends on the Common Stock (except as may be otherwise provided under the Plan). No dividends on the Shares shall be payable prior to both (i) the vesting of the Award and (ii) the issuance and distribution of Shares to the Participant**.

13. **Withholding; Tax Matters**.

(a) TFC or an Affiliate shall report all income and withhold all required local, state, federal, foreign income and other taxes and any other amounts required to be withheld by any governmental authority or law from any amount payable in cash with respect to the Award. Prior to the delivery or transfer of any shares of Common Stock or any other benefit conferred under the Plan, TFC shall require the Participant to pay to TFC in cash the amount of any tax or other amount required by any governmental authority to be withheld and paid over by TFC or an Affiliate to such authority for the account of such recipient. Notwithstanding the foregoing, the Administrator may establish procedures to permit a recipient to satisfy such obligation in whole or in part, and any local, state, federal, foreign or other income, employment and other tax obligations relating to the Award, by electing (the "**election**") to have TFC withhold shares of Common Stock from any shares of Common Stock to which the recipient is entitled. The number of shares of Common Stock to be withheld shall have a Fair Market Value as of the date that the amount of tax to be withheld is determined as nearly equal as possible to the amount of such obligations being satisfied. Each election must be made in writing to the Administrator in accordance with election procedures established by the Administrator, including, without limitation, procedures established by the Administrator after TFC's adoption of ASU 2016-09, *Compensation – Stock Compensation (Topic 718)* dated March, 2016.

(b) TFC has made no warranties or representations to the Participant with respect to the tax consequences (including but not limited to income tax consequences) related to the Award or the payout, if any, pursuant to the Award, and the Participant is in no manner relying on TFC or its representatives for an assessment of such tax consequences. The Participant acknowledges that there may be adverse tax consequences with respect to the Award and that the Participant should consult a tax advisor. The Participant acknowledges that the

Participant has been advised that the Participant should consult with the Participant's own attorney, accountant, and/or tax advisor regarding the decision to enter into this Agreement and the consequences thereof. The Participant also acknowledges that TFC has no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for the Participant.

14. **Administration**. The authority to construe and interpret this Agreement and the Plan, and to administer all aspects of the Plan, shall be vested in the Administrator, and the Administrator shall have all powers with respect to this Agreement as are provided in the Plan. Any interpretation of the Agreement by the Administrator and any decision made by it with respect to the Agreement are final and binding on the parties hereto.

15. **Notices**. Any and all notices under this Agreement shall be in writing and sent by hand delivery or by certified or registered mail (return receipt requested and first-class postage prepaid), in the case of TFC, to its Human Resources Division, 214 N Tryon Street, Charlotte, NC 28202, attention: Chief Human Resources Officer, and in the case of the Participant, to the last known address of the Participant as reflected in TFC's records.

16. **Severability**. The provisions of this Agreement are severable; and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. **Compliance with Laws; Restrictions on Award and Shares of Common Stock**. TFC may impose such restrictions on the Award and any shares of Common Stock relating to the payout of the Award as it may deem advisable, including without limitation restrictions under the federal securities laws, federal tax laws, the requirements of any stock exchange or similar organization and any blue sky, state or foreign securities laws applicable to such Award or shares of Common Stock. Notwithstanding any other provision in the Plan or this Agreement to the contrary, TFC shall not be obligated to issue, deliver or transfer any shares of Common Stock, make any other distribution of benefits under the Plan, or take any other action, unless such delivery, distribution or action is in compliance with all applicable laws, rules and regulations (including but not limited to the requirements of the Securities Act). TFC may cause a restrictive legend or legends to be placed on any certificate for shares of Common Stock issued pursuant to the Award in such form as may be prescribed from time to time by applicable laws and regulations or as may be advised by legal counsel.

18. **Successors and Assigns**. Subject to the limitations stated herein and in the Plan, this Agreement shall be binding upon and inure to the benefit of the Participant and the Participant's executors, administrators and permitted transferees and beneficiaries and TFC and its successors and assigns.

19. **Counterparts; Further Instruments**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties hereto agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

20. **Right of Offset**. Notwithstanding any other provision of the Plan or this Agreement, subject to any applicable laws to the contrary, TFC may reduce the amount of any benefit or payment otherwise payable to or on behalf of the Participant by the amount of any obligation of the Participant to TFC or an Affiliate that is or becomes due and payable, and the Participant shall be deemed to have consented to such reduction; provided, however, that to the extent Section 409A is applicable, such offset shall not exceed the greater of Five Thousand Dollars ($5,000) or the maximum offset amount then permitted under Section 409A.

21. Adjustment of Award.

(a) The Administrator shall have authority to make adjustments to the terms and conditions of the Award in recognition of unusual or nonrecurring events affecting TFC or any Affiliate, or the financial statements of TFC or any Affiliate, or of changes in applicable laws, regulations or accounting principles, if the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or necessary or appropriate to comply with applicable laws, rules or regulations.

(b) Notwithstanding anything contained in the Plan or elsewhere in this Agreement to the contrary, (i) the Administrator, in order to comply with applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act) and any risk management requirements and/or policies adopted by TFC, retains the right at all times to decrease or terminate the Award and payments under the Plan, and any and all amounts payable under the Plan or paid under the Plan shall be subject to clawback, forfeiture, and reduction to the extent determined by the Administrator as necessary to comply with applicable law and/or policies adopted by TFC; and (ii) in the event any legislation, regulation(s), or formal or informal guidance require(s) any compensation payable under the Plan (including, without limitation, the Award) to be deferred, reduced, eliminated, or subjected to vesting, the Award shall be deferred, reduced, eliminated, paid in a different form or subjected to vesting or other restrictions as, and solely to the extent, required by such legislation, regulation(s), or formal or informal guidance.

22. Award Conditions.

(a) Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that either (i) the Administrator or the Board of Governors of the Federal Reserve System determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to improve the risk sensitivity of the Award, whether by (a) adjusting the Award quantitatively or judgmentally based on the risk the Participant’s activities pose to TFC or an Affiliate; (b) extending the Performance Period for determining the Award; (c) extending the Performance Period and adjusting for actual losses or other performance issues; or (d) otherwise as required by the Administrator or the Federal Reserve System; or (ii) the Administrator or the United States government (including, without limiting any agency thereof) determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to comply with any applicable law, regulation, or requirement; then this Agreement and/or the Award shall be automatically amended to incorporate such change, without further action of the Participant, and the Administrator shall provide the Participant notice thereof.

(b) Notwithstanding anything contained in the Plan or this Agreement to the contrary, to the extent that either the Administrator or the United States government (including, without limitation, any agency thereof) determines that the Award granted to the Participant pursuant to this Agreement is prohibited or substantially restricted by, or subjects TFC or an Affiliate to any adverse tax consequences that TFC or an Affiliate is not otherwise subject to on the Grant Date because of, any current or future United States law, any rule, regulation, or other authority, then this Agreement shall automatically terminate effective as of the Grant Date and the Award shall automatically be cancelled as of the Grant Date without further action on the part of the Administrator or the Participant and without any compensation to the Participant for such termination and cancellation. The Administrator agrees to provide notice to the Participant of any such termination and cancellation.

IN WITNESS WHEREOF, TFC and the Participant have entered into this Agreement effective as of the Grant Date. Should the Participant fail to acknowledge his or her electronic acceptance of this Agreement, this Agreement may become null and void as of the Grant Date, and the Participant may forfeit any and all rights hereunder at the discretion of the Administrator.

* * *

EXHIBIT A
TO
TRUIST FINANCIAL CORPORATION
2022 INCENTIVE PLAN

Performance Unit Award Agreement
(Senior Executive)

(January 1, 2023 through December 31, 2025 Performance Period - 2026 Payout)

1. Absolute Performance Goal: The Absolute Performance Goal is a TFC ROATCE of seven percent (7%) for the Performance Period.

2. Relative Performance Goals: If the Absolute Performance Goal is achieved, the Award payout for the Performance Period will then be evaluated by the Administrator against the Peer Group based upon TFC ROACE relative to Peer Group ROACE, pursuant to the following:

ROACE

Level of Achievement	Percentile Performance (TFC ROACE Relative to Peer Group ROACE)	Weight	Payout Percent of Participant's Shares
Threshold	**25th**	**100%**	**50%**
Target	**50th**	**100%**	**100%**
Maximum	**75th or greater**	**100%**	**150%**

Straight line interpolation will be used to calculate payout percentages not specifically listed in the "Payout Percent of Participant's Shares" column above. For performance that is less than the 25th percentile, the payout percentage is 0%.

3. Relative TSR Modifier:

Relative TSR (Percentile Performance of TFC TSR Relative to Peer Group TSR)	TSR Modifier	
25th or less	20%	Additive reduction in Award payout
Greater than 25th but less than 75th	0%	Reduction or increase in Award payout
75th or greater	20%	Additive increase in Award payout, provided that the maximum Award payout shall be 150% of Target %

4. Discretionary Decreases: The Administrator has the discretion to decrease Award payouts based on business factors, including but not limited to, industry conditions, performance relative to peers, regulatory developments, and changes in capital requirements.

Exhibit 10.3

TRUIST FINANCIAL CORPORATION
2022 INCENTIVE PLAN
Performance Unit Award Agreement
(Senior Executive – 60/10 Retirement)

Grant Date:	February 27, 2023
Performance Period:	January 1, 2023 through December 31, 2025

THIS AGREEMENT (the "**Agreement**"), made effective as of February 27, 2023 (the "**Grant Date**"), between TRUIST FINANCIAL CORPORATION, a North Carolina corporation ("**TFC**"), for itself and its Affiliates, and the Employee (the "**Participant**") specified in the accompanying Notice of Grant and Agreement (the "**Notice of Grant**"), is made pursuant to and subject to the provisions of the Truist Financial Corporation 2022 Incentive Plan, as it may be amended and/or restated (the "**Plan**").

RECITALS:

TFC desires to carry out the purposes of the Plan by affording the Participant an opportunity to acquire shares of TFC Common Stock, $5.00 par value per share (the "**Common Stock**"), as hereinafter provided.

In consideration of the foregoing, of the mutual promises set forth below and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. **Incorporation of Notice of Grant and Plan**. The Notice of Grant is part of this Agreement and incorporated herein. The rights and duties of TFC and the Participant under this Agreement shall in all respects be subject to and governed by the provisions of the Plan, the terms of which are incorporated herein by reference. In the event of any conflict between the provisions in the Agreement and those of the Plan, the provisions of the Plan shall govern. Unless otherwise provided herein, capitalized terms in this Agreement shall have the same definitions as set forth in the Plan.

2. **Grant of Performance Units**. Subject to the terms of this Agreement and the Plan, TFC hereby grants the Participant an Award of Performance Units (the "**Award**") for the number of whole shares of Common Stock at the Target Level of Achievement (the "**Shares**") specified in the Notice of Grant and in accordance with the following provisions:

(a) **Performance Period**. The performance period ("**Performance Period**") for the Award shall be January 1, 2023 through December 31, 2025.

(b) **Partial Performance Period**.

(i) (1) *Death or Disability*. If the Participant ceases to be a Participant in the Plan during the Performance Period due to the Participant's termination of employment due to death or Disability, the Participant's Award for the Performance Period shall be payable in accordance with this Agreement, based upon the attainment of the Absolute Performance Goal and at least one

Threshold Level of Achievement as provided in Section 2(c) and **Exhibit A** herein; provided that, in the case of a Change of Control, the Performance Period shall end as of the later of the date of the Change of Control or the termination of the Participant's employment due to death or Disability, and payment shall be made, within two and one-half (2 ½) months following the later of a Change of Control or the termination of the Participant's employment due to death or Disability, as provided in Section 5 herein, calculated as provided in Section 2(c)(v) below. For the avoidance of doubt, the phrase "termination of employment" means a Separation from Service.

(2) *Involuntary Termination Without Cause, Good Reason, and Retirement*. If the Participant ceases to be a Participant in the Plan during the Performance Period due to the Participant's termination of employment (A) involuntarily by the Company and/or its Affiliates without "Cause" (as defined below), including a termination where severance benefits become payable under an employer-sponsored plan applicable to the Participant or employment agreement, which includes a termination for "good reason" as defined in such plan or employment agreement, or (B) due to Retirement (as defined below), the Participant's Award for the Performance Period shall be payable in accordance with this Agreement, based upon the attainment of the Absolute Performance Goal and at least one Threshold Level of Achievement as provided in Section 2(c) and **Exhibit A** herein; provided that, if the Participant's termination of employment is involuntarily by the Company and/or its Affiliates without Cause, payment of the Award is contingent upon the Participant's execution of covenants not to solicit employees or clients of TFC or its Affiliates on terms generally applicable to similarly-situated executives. In the case of a Change of Control, the Performance Period shall end as of the later of the date of the Change of Control or the termination of the Participant's employment due to involuntary termination with Cause or good reason, and payment shall be made, within two and one-half (2 ½) months following the later of a Change of Control or the termination of the Participant's employment due to involuntary termination with Cause or good reason, as provided in Section 5 herein, calculated as provided in Section 2(c)(v) below. A termination shall be for "**Cause**" if the termination of the Participant's employment by the Company and/or its Affiliates is on account of the Participant's (x) dishonesty, theft or embezzlement; (y) refusal or failure to perform the Participant's assigned duties for TFC or an Affiliate in a satisfactory manner; or (z) engaging in any conduct that could be materially damaging to TFC or its Affiliates without a reasonable good faith belief that such conduct was in the best interest of TFC or any of its Affiliates. The determination of whether termination is for Cause shall be made by the Administrator (or its designee, to the extent permitted under the Plan), and its determination shall be final and conclusive. The phrase "termination of employment" means a Separation from Service. For purposes of this Award, "**Retirement**" occurs only when a Participant incurs a Separation from Service on or after the Participant's attainment of at least age

60 with at least 10 years of service with TFC and/or an Affiliate. If the Participant's termination of employment is involuntarily by the Company and/or its Affiliates without Cause and the Participant declines to execute reasonable covenants not to solicit employees or clients of TFC or its Affiliates, any unvested portion of the Award will be forfeited.

(c) Performance Measures for Award. The pre-established three- (3-) year Performance Period's Performance Measures (as defined in Section 2(c)(i) below) applicable to the Award and Levels of Achievement are as follows:

(i) Performance Measures:

(aa) Absolute Performance Goal: The average return on average shareholders' common equity for TFC during the Performance Period, as adjusted by TFC ("**TFC ROACE**"), must be at least seven percent (7%), and if less than seven percent (7%) there will not be an Award payout.

(bb) Relative Performance Goals: If the Absolute Performance Goal is achieved, the next Performance Measure shall be the average return on shareholders' average common equity for TFC during the Performance Period, determined in accordance with United States generally accepted accounting principles, as adjusted by TFC ("**TFC ROACE**"), relative to the average, by company, return on average shareholders' common equity, determined in accordance with United States generally accepted accounting principles, achieved by each company, as adjusted by TFC, of the Peer Group during the Performance Period ("**Peer Group ROACE**").

(cc) Relative TSR Modifier: After the Level of Achievement of the Relative Performance Goal is determined by the Administrator as provided in this Agreement, the Relative TSR Modifier shall be determined and applied in accordance with the TSR Modifier chart in **Exhibit A** attached hereto and made a part hereof. As used in this Agreement, "**Relative Total Shareholder Return**" and "**Relative TSR**" mean TFC's total Common Stock shareholder return performance rank defined as a percentile for the Performance Period relative to the range of the Peer Group members' total common stock shareholder return for the Performance Period. Total shareholder return for TFC and each Peer Group member shall be calculated based upon TFC's Common Stock and the Peer Group members' common stock appreciation during the Performance Period plus the value of dividends paid during the Performance Period on such stock (which dividends shall be deemed to have been reinvested in such underlying stock).

(ii) For purposes of the Relative Performance Goal of the Award, there shall be levels of achievement ("**Level of Achievement**"), including threshold ("**Threshold**"), target ("**Target**"), and maximum ("**Maximum**"). For TFC ROACE the Threshold Level of Achievement shall be a TFC ROACE of the twenty-fifth (25th) percentile of the Peer Group ROACE; the Target Level of Achievement shall be a TFC ROACE of the fiftieth (50th) percentile of the Peer Group ROACE; and the Maximum Level of Achievement shall be a TFC ROACE of the seventy-fifth (75th) percentile of the Peer Group ROACE. The Levels of Achievement range from the Threshold Level of Achievement to the Maximum Level of Achievement as illustrated in the Level of Achievement Chart attached hereto as **Exhibit A** and made a part hereof.

(iii) If the Threshold Level of Achievement is not attained for the Performance Period, there will not be an Award payout for the Relative Performance Goal. If the Threshold Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be fifty percent (50%) of the Shares. If the Target Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be one hundred percent (100%) of the Shares. If the Maximum Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be one hundred fifty percent (150%) of the Shares.

(iv) For purposes hereof, the term “Peer Group” means Bank of America Corporation; Citizens Financial Group, Inc.; Fifth-Third Bancorp; JPMorgan Chase and Company; KeyCorp; M&T Bank Corporation; PNC Financial Services Group, Inc.; Regions Financial Corporation; U.S. Bancorp; Wells Fargo & Company.

(v) *Change of Control*. If there is a Change of Control during the Performance Period, the Participant’s Award shall be calculated as follows: provided that the Absolute Performance Goal of Section 2(c)(i)(aa) is met for the completed calendar year(s) prior to the Change of Control (and if there are no completed calendar years prior to the Change of Control, the Absolute Performance Goal of Section 2(c)(i)(aa) shall be deemed to be met), Participant’s Award shall be the sum of (1) and (2) as follows (and payable in accordance with Section 5 of this Agreement): (1) for completed calendar year(s) prior to the Change of Control, an Award amount shall be calculated by multiplying the Shares by a fraction, the numerator of which is the number of completed year(s) and the denominator of which is 3, and then by determining the actual Level of Achievement attained during such completed calendar year(s) as provided in Section 2(c) and **Exhibit A**, applied thereto for the completed calendar year(s) of the Performance Period; and (2) for the remaining uncompleted calendar year(s) in the Performance Period, an Award amount calculated by multiplying the Shares by a fraction, the numerator of which is the number of uncompleted calendar year(s) and the denominator of which is 3, and then multiplying the product thereof by the Target Level of Achievement for the Relative Performance Goals in **Exhibit A.** For the avoidance of doubt, a Change of Control will not, by itself, shorten the Performance Period.

(vi) For purposes of Section 2(c)(v) above, a "**Change of Control**" will be deemed to have occurred on the earliest of the following dates: (A) the date any person or group of persons (as defined in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), together with its affiliates, excluding employee benefit plans of TFC and its Affiliates, is or becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act) of securities of TFC representing thirty percent (30%) or more of the combined voting power of TFC's then outstanding securities; or (B) the date when, as a result of a tender offer or exchange offer for the purchase of securities of TFC (other than such an offer by TFC for its own securities), or as a result of a proxy contest, merger, consolidation or sale of assets, or as a result of any combination of the foregoing, individuals who at the beginning of any consecutive twelve- (12-) month period during the Performance Period of the Award constituted TFC's Board, plus new directors whose election or nomination for election by TFC's shareholders is approved by a vote of at least two-thirds of the directors still in office who were directors at the beginning of such twelve- (12-) month period (collectively, the "**Continuing Directors**"), cease for any reason during such twelve- (12-) month period to constitute at least two-thirds of the members of such board of directors; (C) the date that a transaction for the sale or disposition by TFC of all or substantially all of TFC's assets (within the meaning of Section 409A) closes or is otherwise successfully consummated; or (D) the date that any one person, or more than one person acting as a group, acquires ownership of stock of TFC that, together with stock held by such person or group constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of TFC within the meaning of Section 409A.

3. **Vesting of Award.** Subject to the terms of the Plan and the Agreement (including but not limited to the provisions of Sections 2, 4 and 5 herein), the Award shall be 100% vested and, to the extent any Award payout is determined by the Administrator, earned on March 15, 2026, following the December 31, 2025 expiration of the Performance Period, provided that the Administrator has not determined that all or any part of the Award shall be cancelled or forfeited as a result of either (i) a significant, negative risk outcome as a result of a corporate or individual action, or (ii) TFC incurring an aggregate operating loss for the Performance Period. The Administrator has sole authority to determine whether and to what degree the Award has vested and is payable and to interpret the terms and conditions of this Agreement and the Plan.

4. **Forfeiture of Award**. Except as may be otherwise provided in the Plan or in this Agreement (including, without limitation, the provisions of Section 2(b) herein), in the event that the employment of the Participant with TFC or an Affiliate terminates for any reason and the Award has not vested pursuant to Section 3, then the Award, to the extent not vested as of the Participant's termination of employment date, shall be forfeited immediately upon such termination, and the Participant shall have no further rights with respect to the Award. The Administrator (or its designee, to the extent permitted under the Plan) shall have sole discretion to determine if a Participant's rights have terminated pursuant to the Plan and this Agreement, including but not limited to the authority to determine the basis for the Participant's termination of employment. The Participant expressly acknowledges and agrees that, except as otherwise provided in this Agreement, the termination of the Participant's employment shall result in forfeiture of the Award and any underlying payout to the extent the Award has not vested as of the Participant's termination of employment date.

5. **Award Payout.**

(a) The amount of the Award payout, if any, shall be determined by the Administrator following the end of the Performance Period in accordance with the terms of this Agreement and the Plan including, without limitation, all applicable adjustments to the calculation of the Performance Measures.

(b) The Award payout determined pursuant to Section 5(a) shall be payable, and paid, in shares of Common Stock.

(c) Award payout shall, upon vesting of the Award, be made to the Participant (or in the event of the Participant's death, to the Participant's beneficiary or beneficiaries) in a lump sum within two and one-half (2 ½) months following the end of the Performance Period, or the end of the Partial Performance Period as defined in Section (2)(b) (provided that if such two and one-half (2 ½) month period begins in one calendar year and ends in another, the Participant (or the Participant's beneficiary or beneficiaries) shall not have the right to designate the calendar year of payment).

6. **No Right to Continued Employment or Service**. Neither the Plan, the grant of the Award, nor any other action related to the Plan shall confer upon the Participant any right to continue in the employment or service of TFC or an Affiliate or affect in any way with the right of TFC or an Affiliate to terminate the Participant's employment or service at any time. Except as otherwise expressly provided in the Plan or this Agreement or as determined by the Administrator, all rights of the Participant with respect to the Award shall terminate upon termination of the employment or service of the Participant with TFC or an Affiliate. The grant of the Award does not create any obligation on the part of TFC or an Affiliate to grant any further awards. So long as the Participant shall continue to be an Employee of TFC or an Affiliate, the Award shall not be affected by any change in the duties or position of the Participant.

7. **Nontransferability of Award and Shares**. The Award, and any Award payout, shall not be transferable (including by sale, assignment, pledge or hypothecation) other than by will or the laws of intestate succession. The designation of a beneficiary in accordance with Plan procedures does not constitute a transfer; provided, however, that unless disclaimer provisions are specifically included in a beneficiary designation form accepted by the Administrator, no beneficiary of the Participant may disclaim the Award.

8. **Non-solicitation Covenants**.

(a) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit or recruit for employment or encourage to leave employment with TFC, on Participant's own behalf or that of any other person any employee of TFC with whom Participant worked during Participant's employment or about whom Participant came to know confidential information as a result of employment with TFC and who has not thereafter ceased to be employed by TFC for a period of at least three (3) months. This provision will not prohibit the Participant from soliciting or hiring any person who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet database, or recruiting or employment agencies, not specifically directed at employees of TFC. Participant acknowledges that by virtue of this provision, they are likewise restricted from being solicited or recruited for employment by current or former employee of Truist also bound by a similar provision, directly or indirectly and hereby knowingly consents to that restriction. This Section shall not prohibit Participant from responding to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet databases, or recruiting or employment agencies, not specifically directed at employees or consultants of Truist.

(b) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit, communicate with or otherwise contact any of TFC's customers with whom Participant had material contact during employment with TFC, for the purpose of conducting any business with them on behalf of any person or entity other than TFC which is substantially similar to the business conducted by the business unit in which Participant last worked at TFC. Participant will not directly or indirectly solicit, communicate with or otherwise contact any of Truist's third-party vendors with whom Participant had material contact during employment with Truist, for the purpose of diverting their business away from Truist to any person or entity other than Truist which is substantially similar to the business conducted by the business unit in which Participant last worked at Truist, or otherwise disrupting Truist's relationship with the third-party vendor. "Material contact" means (i) actual contact with Business Partner, third-party vendors or customers—such as through the provision or receipt of services or sales visits or calls—or (ii) coming to know confidential information about a TFC vendor or customer—such as by obtaining pricing and sales information. This provision does not prohibit Participant from accepting as a vendor or client any person or entity who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, or internet databases, not specifically directed at Business Partner, vendors or customers of TFC.

(c) Participant agrees that the preceding provisions are reasonable and necessary to protect TFC's legitimate business interests and that they will not unreasonably interfere with Participant's ability to earn a living following his/her separation from TFC. Finally, Participant agrees that, in the event Participant breaches or threatens to breach these non-solicitation provision, such breach will cause irreparable harm and injury to TFC and will leave TFC with no adequate remedy at law, and (i) TFC may seek equitable relief, without the necessity of posting a bond, in addition to monetary damages and any other appropriate relief; and (ii) TFC will be entitled to its reasonable attorneys' fees and costs incurred in enforcing this provision.

(d) Participant and TFC agree that any of the preceding non-solicitation provisions is ever determined by a court to exceed the time, scope, or geographic limitations permitted by applicable law, then such provision(s) will be reformed to the maximum time, scope, and geographic limitations permitted by law. If any such provision(s) cannot be so reformed, then such provision will be severed from this Agreement and will not adversely affect the legality, validity, or enforceability of any of the remaining provisions in this Agreement.

9. **Superseding Agreement; Binding Effect**. This Agreement supersedes any statements, representations or agreements of TFC with respect to the grant of the Award or any related rights, and the Participant hereby waives any rights or claims related to any such statements, representations or agreements. This Agreement does not supersede or amend any existing confidentiality agreement, nonsolicitation agreement, noncompetition agreement, employment agreement or any other similar agreement between the Participant and TFC or an Affiliate, including, but not limited to, any restrictive covenants contained in such agreements.

10. **<u>Governing Law</u>**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the principles of conflicts of law, and in accordance with applicable United States federal laws.

11. **<u>Amendment and Termination; Waiver</u>**. Subject to the terms of the Plan, this Agreement may be amended or terminated only by the written agreement of the parties hereto. The waiver by TFC of a breach of any provision of the Agreement by the Participant shall not operate or be construed as a waiver of any subsequent breach by the Participant. Notwithstanding the foregoing, the Administrator shall have unilateral authority to amend the Plan and this Agreement (without Participant consent) to the extent necessary to comply with applicable law or changes to applicable law (including but in no way limited to Section 409A and federal securities laws), and the Participant hereby consents to any such amendments to the Plan and this Agreement.

12. **<u>Issuance of Shares; Rights as Shareholder</u>**. The Participant and the Participant's legal representatives, legatees or distributees shall not be deemed to be the holder of any Shares subject to the Award and shall not have any voting rights, dividend rights or other rights of a shareholder unless and until such Shares have been issued to the Participant or them. No Shares subject to the Award shall be issued at the time of grant of the Award. Shares subject to the Award shall be issued in the name of the Participant (or, if the Participant is deceased, in the name of the Participant's beneficiary or beneficiaries) as soon as practicable after, and only to the extent that, the Award has vested and if such distribution is otherwise permitted under the terms of Section 5 herein. **Neither dividends nor dividend equivalent rights shall be granted in connection with the Award, and the Award shall not be adjusted to reflect the distribution of any dividends on the Common Stock (except as may be otherwise provided under the Plan). No dividends on the Shares shall be payable prior to both (i) the vesting of the Award and (ii) the issuance and distribution of Shares to the Participant**.

13. **<u>Withholding; Tax Matters</u>**.

(a) TFC or an Affiliate shall report all income and withhold all required local, state, federal, foreign income and other taxes and any other amounts required to be withheld by any governmental authority or law from any amount payable in cash with respect to the Award. Prior to the delivery or transfer of any shares of Common Stock or any other benefit conferred under the Plan, TFC shall require the Participant to pay to TFC in cash the amount of any tax or other amount required by any governmental authority to be withheld and paid over by TFC or an Affiliate to such authority for the account of such recipient. Notwithstanding the foregoing, the Administrator may establish procedures to permit a recipient to satisfy such obligation in whole or in part, and any local, state, federal, foreign or other income, employment and other tax obligations relating to the Award, by electing (the "**election**") to have TFC withhold shares of Common Stock from any shares of Common Stock to which the recipient is entitled. The number of shares of Common Stock to be withheld shall have a Fair Market Value as of the date that the amount of tax to be withheld is determined as nearly equal as possible to the amount of such obligations being satisfied. Each election must be made in writing to the Administrator in accordance with election procedures established by the Administrator, including, without limitation, procedures established by the Administrator after TFC's adoption of ASU 2016-09, *Compensation – Stock Compensation (Topic 718)* dated March, 2016.

(b) TFC has made no warranties or representations to the Participant with respect to the tax consequences (including but not limited to income tax consequences) related to the Award or the payout, if any, pursuant to the Award, and the Participant is in no manner relying on TFC or its representatives for an assessment of such tax consequences. The Participant acknowledges that there may be adverse tax consequences with respect to the Award and that the Participant should consult a tax advisor. The Participant acknowledges that the

Participant has been advised that the Participant should consult with the Participant's own attorney, accountant, and/or tax advisor regarding the decision to enter into this Agreement and the consequences thereof. The Participant also acknowledges that TFC has no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for the Participant.

14. **Administration**. The authority to construe and interpret this Agreement and the Plan, and to administer all aspects of the Plan, shall be vested in the Administrator, and the Administrator shall have all powers with respect to this Agreement as are provided in the Plan. Any interpretation of the Agreement by the Administrator and any decision made by it with respect to the Agreement are final and binding on the parties hereto.

15. **Notices**. Any and all notices under this Agreement shall be in writing and sent by hand delivery or by certified or registered mail (return receipt requested and first-class postage prepaid), in the case of TFC, to its Human Resources Division, 214 N Tryon Street, Charlotte, NC 28202, attention: Chief Human Resources Officer, and in the case of the Participant, to the last known address of the Participant as reflected in TFC's records.

16. **Severability**. The provisions of this Agreement are severable; and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. **Compliance with Laws; Restrictions on Award and Shares of Common Stock**. TFC may impose such restrictions on the Award and any shares of Common Stock relating to the payout of the Award as it may deem advisable, including without limitation restrictions under the federal securities laws, federal tax laws, the requirements of any stock exchange or similar organization and any blue sky, state or foreign securities laws applicable to such Award or shares of Common Stock. Notwithstanding any other provision in the Plan or this Agreement to the contrary, TFC shall not be obligated to issue, deliver or transfer any shares of Common Stock, make any other distribution of benefits under the Plan, or take any other action, unless such delivery, distribution or action is in compliance with all applicable laws, rules and regulations (including but not limited to the requirements of the Securities Act). TFC may cause a restrictive legend or legends to be placed on any certificate for shares of Common Stock issued pursuant to the Award in such form as may be prescribed from time to time by applicable laws and regulations or as may be advised by legal counsel.

18. **Successors and Assigns**. Subject to the limitations stated herein and in the Plan, this Agreement shall be binding upon and inure to the benefit of the Participant and the Participant's executors, administrators and permitted transferees and beneficiaries and TFC and its successors and assigns.

19. **Counterparts; Further Instruments**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties hereto agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

20. **Right of Offset**. Notwithstanding any other provision of the Plan or this Agreement, subject to any applicable laws to the contrary, TFC may reduce the amount of any benefit or payment otherwise payable to or on behalf of the Participant by the amount of any obligation of the Participant to TFC or an Affiliate that is or becomes due and payable, and the Participant shall be deemed to have consented to such reduction; provided, however, that to the extent Section 409A is applicable, such offset shall not exceed the greater of Five Thousand Dollars ($5,000) or the maximum offset amount then permitted under Section 409A.

21. Adjustment of Award.

(a) The Administrator shall have authority to make adjustments to the terms and conditions of the Award in recognition of unusual or nonrecurring events affecting TFC or any Affiliate, or the financial statements of TFC or any Affiliate, or of changes in applicable laws, regulations or accounting principles, if the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or necessary or appropriate to comply with applicable laws, rules or regulations.

(b) Notwithstanding anything contained in the Plan or elsewhere in this Agreement to the contrary, (i) the Administrator, in order to comply with applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act) and any risk management requirements and/or policies adopted by TFC, retains the right at all times to decrease or terminate the Award and payments under the Plan, and any and all amounts payable under the Plan or paid under the Plan shall be subject to clawback, forfeiture, and reduction to the extent determined by the Administrator as necessary to comply with applicable law and/or policies adopted by TFC; and (ii) in the event any legislation, regulation(s), or formal or informal guidance require(s) any compensation payable under the Plan (including, without limitation, the Award) to be deferred, reduced, eliminated, or subjected to vesting, the Award shall be deferred, reduced, eliminated, paid in a different form or subjected to vesting or other restrictions as, and solely to the extent, required by such legislation, regulation(s), or formal or informal guidance.

22. Award Conditions.

(a) Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that either (i) the Administrator or the Board of Governors of the Federal Reserve System determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to improve the risk sensitivity of the Award, whether by (a) adjusting the Award quantitatively or judgmentally based on the risk the Participant’s activities pose to TFC or an Affiliate; (b) extending the Performance Period for determining the Award; (c) extending the Performance Period and adjusting for actual losses or other performance issues; or (d) otherwise as required by the Administrator or the Federal Reserve System; or (ii) the Administrator or the United States government (including, without limiting any agency thereof) determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to comply with any applicable law, regulation, or requirement; then this Agreement and/or the Award shall be automatically amended to incorporate such change, without further action of the Participant, and the Administrator shall provide the Participant notice thereof.

(b) Notwithstanding anything contained in the Plan or this Agreement to the contrary, to the extent that either the Administrator or the United States government (including, without limitation, any agency thereof) determines that the Award granted to the Participant pursuant to this Agreement is prohibited or substantially restricted by, or subjects TFC or an Affiliate to any adverse tax consequences that TFC or an Affiliate is not otherwise subject to on the Grant Date because of, any current or future United States law, any rule, regulation, or other authority, then this Agreement shall automatically terminate effective as of the Grant Date and the Award shall automatically be cancelled as of the Grant Date without further action on the part of the Administrator or the Participant and without any compensation to the Participant for such termination and cancellation. The Administrator agrees to provide notice to the Participant of any such termination and cancellation.

IN WITNESS WHEREOF, TFC and the Participant have entered into this Agreement effective as of the Grant Date. Should the Participant fail to acknowledge his or her electronic acceptance of this Agreement, this Agreement may become null and void as of the Grant Date, and the Participant may forfeit any and all rights hereunder at the discretion of the Administrator.

* * *

EXHIBIT A
TO
TRUIST FINANCIAL CORPORATION
2022 INCENTIVE PLAN

Performance Unit Award Agreement
(Senior Executive)

(January 1, 2023 through December 31, 2025 Performance Period - 2026 Payout)

1. Absolute Performance Goal: The Absolute Performance Goal is a TFC ROATCE of seven percent (7%) for the Performance Period.

2. Relative Performance Goals: If the Absolute Performance Goal is achieved, the Award payout for the Performance Period will then be evaluated by the Administrator against the Peer Group based upon TFC ROACE relative to Peer Group ROACE, pursuant to the following:

ROACE

Level of Achievement	Percentile Performance (TFC ROACE Relative to Peer Group ROACE)	Weight	Payout Percent of Participant's Shares
Threshold	**25th**	**100%**	**50%**
Target	**50th**	**100%**	**100%**
Maximum	**75th or greater**	**100%**	**150%**

Straight line interpolation will be used to calculate payout percentages not specifically listed in the "Payout Percent of Participant's Shares" column above. For performance that is less than the 25th percentile, the payout percentage is 0%.

3. Relative TSR Modifier:

Relative TSR (Percentile Performance of TFC TSR Relative to Peer Group TSR)	TSR Modifier	
25th or less	20%	Additive reduction in Award payout
Greater than 25th but less than 75th	0%	Reduction or increase in Award payout
75th or greater	20%	Additive increase in Award payout, provided that the maximum Award payout shall be 150% of Target %

4. Discretionary Decreases: The Administrator has the discretion to decrease Award payouts based on business factors, including but not limited to, industry conditions, performance relative to peers, regulatory developments, and changes in capital requirements.

Exhibit 10.4

TRUIST FINANCIAL CORPORATION
2022 INCENTIVE PLAN
LTIP Award Agreement
(Senior Executive – 60/5 Retirement)

Name of Participant:	**[Name]**
Grant Date:	February ___, 2022
Performance Period:	January 1, 2023 through December 31, 2025

THIS AGREEMENT (the "**Agreement**"), made effective as of February 27, 2023 (the "**Grant Date**"), between TRUIST FINANCIAL CORPORATION, a North Carolina corporation ("**TFC**"), and **[Name]**, an Employee (the "**Participant**").

<u>RECITALS</u>:

TFC desires to carry out the purposes of the Truist Financial Corporation 2022 Incentive Plan, as it may be amended and/or restated (the "**Plan**"), by affording the Participant a long-term incentive compensation opportunity as hereinafter provided.

In consideration of the foregoing, of the mutual promises set forth below and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. **<u>Incorporation of Plan</u>**. The rights and duties of TFC and the Participant under this Agreement shall in all respects be subject to and governed by the provisions of the Plan, the terms of which are incorporated herein by reference. In the event of any conflict between the provisions in the Agreement and those of the Plan, the provisions of the Plan shall govern. Unless otherwise provided herein, capitalized terms in this Agreement shall have the same definitions as set forth in the Plan.

2. **<u>Performance Award</u>**. Subject to the terms of this Agreement and the Plan, TFC hereby grants the Participant an LTIP Award (the "**Award**") in accordance with the following provisions:

(a) **Performance Period**. The performance period ("**Performance Period**") for the Award shall be January 1, 2023 through December 31, 2025.

(b) **Partial Performance Period**.

(i) (1) *Death or Disability*. If the Participant ceases to be a Participant in the Plan during the Performance Period due to the Participant's termination of employment due to death or Disability, the Participant's Award for the Performance Period shall be payable in accordance with this Agreement, based upon the attainment of the Absolute Performance Goal and at least one Threshold Level of Achievement as provided in Section 2(c) and **Exhibit A** herein; provided that, in the case of a Change of Control, the Performance Period shall end as of the later of the date of the Change of Control or the termination of the Participant's employment due to death or Disability, and payment shall be made within two and one-half (2 ½) months following the later of a Change of Control or the termination of the Participant's employment due to death or Disability, as provided in Section 5 herein, calculated as provided in Section 2(c)(v) below. For the avoidance of doubt, the phrase "termination of employment" means a Separation from Service.

(2) *Involuntary Termination Without Cause, Good Reason, and Retirement*. If the Participant ceases to be a Participant in the Plan during the Performance Period due to the Participant's termination of employment (A) involuntarily by the Company and/or its Affiliates without "Cause" (as defined below), including a termination where severance benefits become payable under an employer-sponsored plan applicable to the Participant or employment agreement, which includes a termination for "good reason" as defined in such plan or employment agreement, or (B) due to Retirement (as defined below), the Participant's Award for the Performance Period shall be payable in accordance with this Agreement, based upon the attainment of the Absolute Performance Goal and at least one Threshold Level of Achievement as provided in Section 2(c) and **Exhibit A** herein; provided that, if the Participant's termination of employment is involuntarily by the Company and/or its Affiliates without Cause, payment of the Award is contingent upon the Participant's execution of covenants not to solicit employees or clients of TFC or its Affiliates on terms generally applicable to similarly-situated executives. In the case of a Change of Control, the Performance Period shall end as of the later of the date of the Change of Control or the termination of the Participant's employment due to involuntary termination with Cause or good reason, and payment shall be made, within two and one-half (2 ½) months following the later of a Change of Control or the termination of the Participant's employment due to involuntary termination with Cause or good reason, as provided in Section 5 herein, calculated as provided in Section 2(c)(v) below. A termination shall be for "**Cause**" if the termination of the Participant's employment by the Company and/or its Affiliates is on account of the Participant's (x) dishonesty, theft or embezzlement; (y) refusal or failure to perform the Participant's assigned duties for TFC or an Affiliate in a satisfactory manner; or (z) engaging in any conduct that could be materially damaging to TFC or its Affiliates without a reasonable good faith belief that such conduct was in the best interest of TFC or any of its Affiliates. The determination of whether termination is for Cause shall be made by the Administrator (or its designee, to the extent permitted under the Plan), and its determination shall be final and conclusive. The phrase "termination of employment" means a Separation from Service. For purposes of this Award, "**Retirement**" occurs only when a Participant incurs a Separation from Service on or after the Participant's attainment of at least age 60 with at least 5 years of service with TFC and/or an Affiliate. If the Participant's termination of employment is involuntarily by the Company and/or its Affiliates without Cause and the Participant

declines to execute reasonable covenants not to solicit employees or clients of TFC or its Affiliates, any unvested portion of the Award will be forfeited.

(c) Performance Measures for Award. The pre-established three- (3-) year Performance Period's Performance Measures (as defined in Section 2(c)(i) below) applicable to the Award, the Participant's targeted percentage of the Participant's average base salary during the Performance Period ("**Participant's Target %**"), Levels of Achievement, and the potential projected cash payout to the Participant, based upon the Level of Achievement, are as follows:

(i) Performance Measures:

(aa) <u>Absolute Performance Goal</u>: The average return on average shareholders' common equity for TFC during the Performance Period, as adjusted by TFC ("**TFC ROACE**"), must be at least seven percent (7%), and if less than seven percent (7%) there will not be an Award payout.

(bb) <u>Relative Performance Goal</u>: If the Absolute Performance Goal is achieved, the next Performance Measure shall be the average return on shareholders' average common equity for TFC during the Performance Period, determined in accordance with United States generally accepted accounting principles, as adjusted by TFC ("**TFC ROACE**"), relative to the average, by company, return on average shareholders' common equity, determined in accordance with United States generally accepted accounting principles, achieved by each company, as adjusted by TFC, of the Peer Group during the Performance Period ("**Peer Group ROACE**").

(cc) <u>Relative TSR Modifier</u>: After the Level of Achievement of the Relative Performance Goal is determined by the Administrator as provided in this Agreement, the Relative TSR Modifier shall be determined and applied in accordance with the TSR Modifier chart in **Exhibit A** attached hereto and made a part hereof. As used in this Agreement, "**Relative Total Shareholder Return**" and "**Relative TSR**" mean TFC's total Common Stock shareholder return performance rank defined as a percentile for the Performance Period relative to the range of the Peer Group members' total common stock shareholder return for the Performance Period. Total shareholder return for TFC and each Peer Group member shall be calculated based upon TFC's Common Stock and the Peer Group members' common stock appreciation during the Performance Period plus the value of dividends paid during the Performance Period on such stock (which dividends shall be deemed to have been reinvested in such underlying stock).

(ii) For purposes of the Relative Performance Goal of the Award, there shall be levels of achievement ("**Level of Achievement**"), including threshold ("**Threshold**"), target ("**Target**"), and maximum ("**Maximum**"). For TFC ROACE the Threshold Level of Achievement shall be a TFC ROACE of the twenty-fifth (25th) percentile of the Peer Group ROACE; the Target Level of

Achievement shall be a TFC ROACE of the fiftieth (50th) percentile of the Peer Group ROACE; and the Maximum Level of Achievement shall be a TFC ROACE of the seventy-fifth (75th) percentile of the Peer Group ROACE. The Levels of Achievement range from the Threshold Level of Achievement to the Maximum Level of Achievement as illustrated in the Level of Achievement Chart attached hereto as **Exhibit A** and made a part hereof.

(iii) If the Threshold Level of Achievement is not attained for the Performance Period, there will not be an Award payout for the Relative Performance Goal. If the Threshold Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be fifty percent (50%) of the Participant's Target %. If the Target Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be one hundred percent (100%) of the Participant's Target %. If the Maximum Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be one hundred fifty percent (150%) of the Participant's Target %.

(iv) The projected Award payout to the Participant, if either the Target Level of Achievement for the Relative Performance Goal or if the Maximum Level of Achievement for the Relative Performance Goal is attained for the Performance Period is summarized in the following chart (with certain assumptions concerning the Participant's base salary for 2023, 2024 and 2025):

2023 Base Salary[1]	**2024 Base Salary**[1]	**2025 Base Salary**[1]	**Participant's Target %**	**Target Payout (if Target Level of Achievement Attained)**[2]	**Maximum Payout (if Maximum Level of Achievement Attained)**[2]
$	$	$	%	$[3]	$[3]

(v) For purposes hereof, the term "**Peer Group**" means Bank of America Corporation; Citizens Financial Group, Inc.; Fifth-Third Bancorp; JPMorgan Chase and Company; KeyCorp; M&T Bank Corporation; PNC Financial Services Group, Inc.; Regions Financial Corporation; U.S. Bancorp; Wells Fargo & Company.

(vi) *Change of Control*. If there is a Change of Control during the Performance Period, the Participant's Award shall be calculated using the Participant's "Averaged Base Salary," determined by adding (A) the Participant's actual base salary received for each completed calendar year preceding the Change of Control, and (B)

1 Solely for illustration purposes, projections assume certain salary increases on March 1st of each year. Projections do not reflect negative discretion reductions by the Administrator.
2 The projected payouts will change based upon the Participant's actual base salary for 2022, 2023 and 2024.
3 Pursuant to the terms of the Plan, in the Administrator's discretion the Award may be payable in cash, in shares of Common Stock, or in a combination of both.

the actual annual base salary rate on record as of the date of the Change of Control for all uncompleted calendar years remaining in the Performance Period, the sum of (A) and (B) averaged over the original three (3) year Performance Period (the "**Averaged Base Salary**"). If there is a Change of Control during the Performance Period, the Participant's Award shall be calculated as follows: provided that the Absolute Performance Goal of Section 2(c)(i)(aa) is met for the completed calendar year(s) prior to the Change of Control (and if there are no completed calendar years prior to the Change of Control, the Absolute Performance Goal of Section 2(c)(i)(aa) shall be deemed to be met), Participant's Award shall be the sum of (1) and (2) as follows (and payable in accordance with Section 5 of this Agreement): (1) for completed calendar year(s) prior to the Change of Control, an Award amount shall be calculated by multiplying the Averaged Base Salary by the Participant's Target %, and then multiplying the product by the actual Level of Achievement attained during such completed calendar year(s) as provided in Section 2(c) and **Exhibit A,** then multiplying by a fraction, the numerator of which is the number of completed year(s) and the denominator of which is 3; and (2) for the remaining uncompleted calendar year(s) in the Performance Period, an Award amount calculated by multiplying the Averaged Base Salary by the Participant's Target %, and then multiplying the product by the Target Level of Achievement for the Relative Performance Goals in **Exhibit A**, then multiplying by a fraction, the numerator of which is the number of uncompleted calendar year(s) and the denominator of which is 3**.** For the avoidance of doubt, a Change of Control will not, by itself, shorten the Performance Period.

(vii) For purposes of Section 2(c)(vi) above, a "**Change of Control**" will be deemed to have occurred on the earliest of the following dates: (A) the date any person or group of persons (as defined in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), together with its affiliates, excluding employee benefit plans of TFC and its Affiliates, is or becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act) of securities of TFC representing thirty percent (30%) or more of the combined voting power of TFC's then outstanding securities; or (B) the date when, as a result of a tender offer or exchange offer for the purchase of securities of TFC (other than such an offer by TFC for its own securities), or as a result of a proxy contest, merger, consolidation or sale of assets, or as a result of any combination of the foregoing, individuals who at the beginning of any consecutive twelve- (12-) month period during the Performance Period of the Award constituted TFC's Board, plus new directors whose election or nomination for election by TFC's shareholders is approved by a vote of at least two-thirds of the directors still in office who were directors at the beginning of such twelve- (12-) month period (collectively, the "**Continuing Directors**"), cease for any reason during such twelve- (12-) month period to constitute at least two-thirds of the members of such board of directors; (C) the date that a transaction for the sale or disposition by TFC of all or substantially all of TFC's assets (within the meaning of Section 409A) closes or is otherwise successfully consummated; or (D) the date that any one person, or more than one person acting as a group, acquires ownership of stock of TFC that, together with stock held by such person or group constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of TFC within the meaning of Section 409A.

3. **<u>Vesting of Award</u>.** Subject to the terms of the Plan and the Agreement (including but not limited to the provisions of Sections 2, 4 and 5 herein), the Award shall be one hundred percent (100%) vested and, to the extent any Award payout is determined by the Administrator, earned on January 1, 2026, following the December 31, 2025 expiration of the Performance Period, provided that the Administrator has not determined that all or any part of the Award shall be cancelled or forfeited as a result of either (i) a significant, negative risk outcome as a result of a corporate or individual action, or (ii) TFC incurring an aggregate operating loss for the Performance Period. The Administrator has sole authority to determine whether and to what degree the Award has vested and is payable and to interpret the terms and conditions of this Agreement and the Plan.

4. **<u>Forfeiture of Award</u>**. Except as may be otherwise provided in the Plan or in this Agreement (including, without limitation, the provisions of Section 2(b) herein), in the event that the employment of the Participant with TFC or an Affiliate terminates for any reason and the Award has not vested pursuant to Section 3, then the Award, to the extent not vested as of the Participant's termination of employment date, shall be forfeited immediately upon such termination, and the Participant shall have no further rights with respect to the Award. The Administrator (or its designee, to the extent permitted under the Plan) shall have sole discretion to determine if a Participant's rights have terminated pursuant to the Plan and this Agreement, including but not limited to the authority to determine the basis for the Participant's termination of employment. The Participant expressly acknowledges and agrees that, except as otherwise provided in this Agreement, the termination of the Participant's employment shall result in forfeiture of the Award and any underlying payout to the extent the Award has not vested as of the Participant's termination of employment date.

5. **<u>Award Payout</u>**.

(a) The amount of the Award payout, if any, shall be determined by the Administrator following the end of the Performance Period in accordance with the terms of this Agreement and the Plan including, without limitation, all applicable adjustments to the calculation of the Performance Measures.

(b) The Award payout determined pursuant to Section 5(a) shall be payable, and paid, in cash, shares of Common Stock, or a combination of cash and shares of Common Stock, as determined by the Administrator in its sole discretion.

(c) Award payout shall, upon vesting of the Award, be made to the Participant (or in the event of the Participant's death, to the Participant's beneficiary or beneficiaries) in a lump sum within two and one-half (2 ½) months following the end of the Performance Period, or the end of the Partial Performance Period as defined in Section (2)(b) (provided that if such two and one-half (2 ½) month period begins in one calendar year and ends in another, the Participant (or the Participant's beneficiary or beneficiaries) shall not have the right to designate the calendar year of payment).

6. **<u>No Right to Continued Employment or Service</u>**. Neither the Plan, the grant of the Award, nor any other action related to the Plan shall confer upon the Participant any right to continue in the employment or service of TFC or an Affiliate or affect in any way with the right of TFC or an Affiliate to terminate the Participant's employment or service at any time. Except as otherwise expressly provided in the Plan or this Agreement or as determined by the Administrator, all rights of the Participant with respect to the Award shall terminate upon termination of the employment or service of the Participant with TFC or an Affiliate. The grant of the Award does not create any obligation on the part of TFC or an Affiliate to grant any further awards. So long as the Participant shall continue to be an Employee of TFC or an Affiliate, the Award shall not be affected by any change in the duties or position of the Participant.

7. **Nontransferability of Award and Shares**. The Award, and any Award payout, shall not be transferable (including by sale, assignment, pledge or hypothecation) other than by will or the laws of intestate succession. The designation of a beneficiary in accordance with Plan procedures does not constitute a transfer; provided, however, that unless disclaimer provisions are specifically included in a beneficiary designation form accepted by the Administrator, no beneficiary of the Participant may disclaim the Award.

8. **Non-solicitation Covenants**.

(a) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit or recruit for employment or encourage to leave employment with TFC, on Participant's own behalf or that of any other person any employee of TFC with whom Participant worked during Participant's employment or about whom Participant came to know confidential information as a result of employment with TFC and who has not thereafter ceased to be employed by TFC for a period of at least three (3) months. This provision will not prohibit the Participant from soliciting or hiring any person who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet database, or recruiting or employment agencies, not specifically directed at employees of TFC. Participant acknowledges that by virtue of this provision, they are likewise restricted from being solicited or recruited for employment by current or former employee of Truist also bound by a similar provision, directly or indirectly and hereby knowingly consents to that restriction. This Section shall not prohibit Participant from responding to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet databases, or recruiting or employment agencies, not specifically directed at employees or consultants of Truist.

(b) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit, communicate with or otherwise contact any of TFC's customers with whom Participant had material contact during employment with TFC, for the purpose of conducting any business with them on behalf of any person or entity other than TFC which is substantially similar to the business conducted by the business unit in which Participant last worked at TFC. Participant will not directly or indirectly solicit, communicate with or otherwise contact any of Truist's third-party vendors with whom Participant had material contact during employment with Truist, for the purpose of diverting their business away from Truist to any person or entity other than Truist which is substantially similar to the business conducted by the business unit in which Participant last worked at Truist, or otherwise disrupting Truist's relationship with the third-party vendor. "Material contact" means (i) actual contact with Business Partner, third-party vendors or customers—such as through the provision or receipt of services or sales visits or calls—or (ii) coming to know confidential information about a TFC vendor or customer—such as by obtaining pricing and sales information. This provision does not prohibit Participant from accepting as a vendor or client any person or entity who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, or internet databases, not specifically directed at Business Partner, vendors or customers of TFC.

(c) Participant agrees that the preceding provisions are reasonable and necessary to protect TFC's legitimate business interests and that they will not unreasonably interfere with Participant's ability to earn a living following his/her separation from TFC. Finally, Participant agrees that, in the event Participant breaches or threatens to breach these non-solicitation provision, such breach will cause irreparable harm and injury to TFC and will leave TFC with no adequate remedy at law, and (i) TFC may seek equitable relief, without the necessity of posting a bond, in addition to monetary damages and any other appropriate relief; and (ii) TFC will be entitled to its reasonable attorneys' fees and costs incurred in enforcing this provision.

(d) Participant and TFC agree that any of the preceding non-solicitation provisions is ever determined by a court to exceed the time, scope, or geographic limitations permitted by applicable law, then such provision(s) will be reformed to the maximum time, scope, and geographic limitations permitted by law. If any such provision(s) cannot be so reformed, then such provision will be severed from this Agreement and will not adversely affect the legality, validity, or enforceability of any of the remaining provisions in this Agreement.

9. **Superseding Agreement; Binding Effect**. This Agreement supersedes any statements, representations or agreements of TFC with respect to the grant of the Award or any related rights, and the Participant hereby waives any rights or claims related to any such statements, representations or agreements. This Agreement does not supersede or amend any existing confidentiality agreement, nonsolicitation agreement, noncompetition agreement, employment agreement or any other similar agreement between the Participant and TFC or an Affiliate, including, but not limited to, any restrictive covenants contained in such agreements.

10. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the principles of conflicts of law, and in accordance with applicable United States federal laws.

11. **Amendment and Termination; Waiver**. Subject to the terms of the Plan, this Agreement may be amended or terminated only by the written agreement of the parties hereto. The waiver by TFC of a breach of any provision of the Agreement by the Participant shall not operate or be construed as a waiver of any subsequent breach by the Participant. Notwithstanding the foregoing, the Administrator shall have unilateral authority to amend the Plan and this Agreement (without Participant consent) to the extent necessary to comply with applicable law or changes to applicable law (including but in no way limited to Section 409A and federal securities laws), and the Participant hereby consents to any such amendments to the Plan and this Agreement.

12. **Issuance of Shares; Rights as Shareholder**. The Participant and the Participant's legal representatives, legatees or distributees shall not be deemed to be the holder of any Shares subject to the Award and shall not have any voting rights, dividend rights or other rights of a shareholder unless and until such Shares have been issued to the Participant or them. No Shares subject to the Award shall be issued at the time of grant of the Award. Shares subject to the Award shall be issued in the name of the Participant (or, if the Participant is deceased, in the name of the Participant's beneficiary or beneficiaries) as soon as practicable after, and only to the extent that, the Award has vested and if such distribution is otherwise permitted under the terms of Section 5 herein. **Neither dividends nor dividend equivalent rights shall be granted in connection with the Award, and the Award shall not be adjusted to reflect the**

distribution of any dividends on the Common Stock (except as may be otherwise provided under the Plan). No dividends on the Shares shall be payable prior to both (i) the vesting of the Award and (ii) the issuance and distribution of Shares to the Participant.

13. Withholding; Tax Matters.

(a) TFC or an Affiliate shall report all income and withhold all required local, state, federal, foreign income and other taxes and any other amounts required to be withheld by any governmental authority or law from any amount payable in cash with respect to the Award. Prior to the delivery or transfer of any shares of Common Stock or any other benefit conferred under the Plan, TFC shall require the Participant to pay to TFC in cash the amount of any tax or other amount required by any governmental authority to be withheld and paid over by TFC or an Affiliate to such authority for the account of such recipient. Notwithstanding the foregoing, the Administrator may establish procedures to permit a recipient to satisfy such obligation in whole or in part, and any local, state, federal, foreign or other income, employment and other tax obligations relating to the Award, by electing (the "**election**") to have TFC withhold shares of Common Stock from any shares of Common Stock to which the recipient is entitled. The number of shares of Common Stock to be withheld shall have a Fair Market Value as of the date that the amount of tax to be withheld is determined as nearly equal as possible to the amount of such obligations being satisfied. Each election must be made in writing to the Administrator in accordance with election procedures established by the Administrator, including, without limitation, procedures established by the Administrator after TFC's adoption of ASU 2016-09, *Compensation – Stock Compensation (Topic 718)* dated March, 2016.

(b) TFC has made no warranties or representations to the Participant with respect to the tax consequences (including but not limited to income tax consequences) related to the Award or the payout, if any, pursuant to the Award, and the Participant is in no manner relying on TFC or its representatives for an assessment of such tax consequences. The Participant acknowledges that there may be adverse tax consequences with respect to the Award and that the Participant should consult a tax advisor. The Participant acknowledges that the Participant has been advised that the Participant should consult with the Participant's own attorney, accountant, and/or tax advisor regarding the decision to enter into this Agreement and the consequences thereof. The Participant also acknowledges that TFC has no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for the Participant.

14. Administration. The authority to construe and interpret this Agreement and the Plan, and to administer all aspects of the Plan, shall be vested in the Administrator, and the Administrator shall have all powers with respect to this Agreement as are provided in the Plan. Any interpretation of the Agreement by the Administrator and any decision made by it with respect to the Agreement are final and binding on the parties hereto.

15. Notices. Any and all notices under this Agreement shall be in writing and sent by hand delivery or by certified or registered mail (return receipt requested and first-class postage prepaid), in the case of TFC, to its Human Resources Division, 214 N Tryon Street, Charlotte, NC 28202, attention: Chief Human Resources Officer, and in the case of the Participant, to the last known address of the Participant as reflected in TFC's records.

16. Severability. The provisions of this Agreement are severable; and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. Compliance with Laws; Restrictions on Award and Shares of Common Stock. TFC may impose such restrictions on the Award and any shares of Common Stock relating to the payout of the Award as it may deem advisable, including without limitation restrictions under the federal securities laws, federal tax laws, the requirements of any stock exchange or similar organization and any blue sky, state or foreign securities laws applicable to such Award or shares of Common Stock. Notwithstanding any other provision in the Plan or this Agreement to the contrary, TFC shall not be obligated to issue, deliver or transfer any shares of Common Stock, make any other distribution of benefits under the Plan, or take any other action, unless such delivery, distribution or action is in compliance with all applicable laws, rules and regulations (including but not limited to the requirements of the Securities Act). TFC may cause a restrictive legend or legends to be placed on any certificate for shares of Common Stock issued pursuant to the Award in such form as may be prescribed from time to time by applicable laws and regulations or as may be advised by legal counsel.

18. **Successors and Assigns**. Subject to the limitations stated herein and in the Plan, this Agreement shall be binding upon and inure to the benefit of the Participant and the Participant's executors, administrators and permitted transferees and beneficiaries and TFC and its successors and assigns.

19. **Counterparts; Further Instruments**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties hereto agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

20. **Right of Offset**. Notwithstanding any other provision of the Plan or this Agreement, subject to any applicable laws to the contrary, TFC may reduce the amount of any benefit or payment otherwise payable to or on behalf of the Participant by the amount of any obligation of the Participant to TFC or an Affiliate that is or becomes due and payable, and the Participant shall be deemed to have consented to such reduction; provided, however, that to the extent Section 409A is applicable, such offset shall not exceed the greater of Five Thousand Dollars ($5,000) or the maximum offset amount then permitted under Section 409A.

21. **Adjustment of Award**.

(a) The Administrator shall have authority to make adjustments to the terms and conditions of the Award in recognition of unusual or nonrecurring events affecting TFC or any Affiliate, or the financial statements of TFC or any Affiliate, or of changes in applicable laws, regulations or accounting principles, if the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or necessary or appropriate to comply with applicable laws, rules or regulations.

(b) Notwithstanding anything contained in the Plan or elsewhere in this Agreement to the contrary, (i) the Administrator, in order to comply with applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act) and any risk management requirements and/or policies adopted by TFC, retains the right at all times to decrease or terminate the Award and payments under the Plan, and any and all amounts payable under the Plan or paid under the Plan shall be subject to clawback, forfeiture, and reduction to the extent determined by the Administrator as necessary to comply with applicable law and/or policies adopted by TFC; and (ii) in the event any legislation, regulation(s), or formal or informal guidance require(s) any compensation payable under the Plan (including, without limitation, the Award) to be deferred, reduced, eliminated, or subjected to vesting, the Award shall be deferred, reduced, eliminated, paid in a different form or subjected to vesting or other restrictions as, and solely to the extent, required by such legislation, regulation(s), or formal or informal guidance.

22. Award Conditions.

(a) Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that either (i) the Administrator or the Board of Governors of the Federal Reserve System determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to improve the risk sensitivity of the Award, whether by (a) adjusting the Award quantitatively or judgmentally based on the risk the Participant's activities pose to TFC or an Affiliate; (b) extending the Performance Period for determining the Award; (c) extending the Performance Period and adjusting for actual losses or other performance issues; or (d) otherwise as required by the Administrator or the Federal Reserve System; or (ii) the Administrator or the United States government (including, without limiting any agency thereof) determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to comply with any applicable law, regulation, or requirement; then this Agreement and/or the Award shall be automatically amended to incorporate such change, without further action of the Participant, and the Administrator shall provide the Participant notice thereof.

(b) Notwithstanding anything contained in the Plan or this Agreement to the contrary, to the extent that either the Administrator or the United States government (including, without limitation, any agency thereof) determines that the Award granted to the Participant pursuant to this Agreement is prohibited or substantially restricted by, or subjects TFC or an Affiliate to any adverse tax consequences that TFC or an Affiliate is not otherwise subject to on the Grant Date because of, any current or future United States law, any rule, regulation, or other authority, then this Agreement shall automatically terminate effective as of the Grant Date and the Award shall automatically be cancelled as of the Grant Date without further action on the part of the Administrator or the Participant and without any compensation to the Participant for such termination and cancellation. The Administrator agrees to provide notice to the Participant of any such termination and cancellation.

IN WITNESS WHEREOF, this Agreement has been executed in behalf of TFC and by the Participant effective as of the Grant Date.

TRUIST FINANCIAL

CORPORATION

By: __

PARTICIPANT

__

<<First Name>> <<MI>> <<Last

Name>>

EXHIBIT A
TO
TRUIST FINANCIAL CORPORATION
2022 INCENTIVE PLAN

LTIP Award Agreement
(Senior Executive)

(January 1, 2023 through December 31, 2025 Performance Period - 2026 Payout)

1. Absolute Performance Goal: The Absolute Performance Goal is a TFC ROACE of seven percent (7%) for the Performance Period.

2. Relative Performance Goals: If the Absolute Performance Goal is achieved, the Award payout for the Performance Period will then be evaluated by the Administrator against the Peer Group based upon TFC ROACE relative to Peer Group ROACE, pursuant to the following:

ROACE

Level of Achievement	**Percentile Performance (TFC ROACE Relative to Peer Group ROACE)**	**Weight**	**Payout Percent of Participant's Target %**
Threshold	**25th**	**100%**	**50%**
Target	**50th**	**100%**	**100%**
Maximum	**75th or greater**	**100%**	**150%**

Straight line interpolation will be used to calculate payout percentages not specifically listed in the "Payout Percent of Participant's Target %" column above. For performance that is less than the 25th percentile, the payout percentage is 0%.

3. Relative TSR Modifier:

Relative TSR (Percentile Performance of TFC TSR Relative to Peer Group TSR)	**TSR Modifier**	
25th or less	20%	Additive reduction in Award payout
Greater than 25th but less than 75th	0%	Reduction or increase in Award payout
75th or greater	20%	Additive increase in Award payout, provided that the maximum Award payout shall be 150% of Target %

4. Discretionary Decreases: The Administrator has the discretion to decrease Award payouts based on business factors, including but not limited to, industry conditions, performance relative to peers, regulatory developments, and changes in capital requirements.

Exhibit 10.5

TRUIST FINANCIAL CORPORATION
2022 INCENTIVE PLAN
LTIP Award Agreement
(Senior Executive – 60/10 Retirement)

Name of Participant:	**[Name]**
Grant Date:	February ___, 2022
Performance Period:	January 1, 2023 through December 31, 2025

THIS AGREEMENT (the "**Agreement**"), made effective as of February 27, 2023 (the "**Grant Date**"), between TRUIST FINANCIAL CORPORATION, a North Carolina corporation ("**TFC**"), and **[Name]**, an Employee (the "**Participant**").

<u>RECITALS</u>:

TFC desires to carry out the purposes of the Truist Financial Corporation 2022 Incentive Plan, as it may be amended and/or restated (the "**Plan**"), by affording the Participant a long-term incentive compensation opportunity as hereinafter provided.

In consideration of the foregoing, of the mutual promises set forth below and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. **<u>Incorporation of Plan</u>**. The rights and duties of TFC and the Participant under this Agreement shall in all respects be subject to and governed by the provisions of the Plan, the terms of which are incorporated herein by reference. In the event of any conflict between the provisions in the Agreement and those of the Plan, the provisions of the Plan shall govern. Unless otherwise provided herein, capitalized terms in this Agreement shall have the same definitions as set forth in the Plan.

2. **<u>Performance Award</u>**. Subject to the terms of this Agreement and the Plan, TFC hereby grants the Participant an LTIP Award (the "**Award**") in accordance with the following provisions:

(a) **Performance Period**. The performance period ("**Performance Period**") for the Award shall be January 1, 2023 through December 31, 2025.

(b) **Partial Performance Period**.

(i) (1) *Death or Disability*. If the Participant ceases to be a Participant in the Plan during the Performance Period due to the Participant's termination of employment due to death or Disability, the Participant's Award for the Performance Period shall be payable in accordance with this Agreement, based upon the attainment of the Absolute Performance Goal and at least one Threshold Level of Achievement as provided in Section 2(c) and **Exhibit A** herein; provided that, in the case of a Change of Control, the Performance Period shall end as of the later of the date of the Change of Control or the termination of the Participant's employment due to death or Disability, and payment shall be made within two and one-half (2 ½) months following the later of a Change of Control or the termination of the Participant's employment due to death or Disability, as provided in Section 5 herein, calculated as provided in Section 2(c)(v) below. For the avoidance of doubt, the phrase "termination of employment" means a Separation from Service.

(2) *Involuntary Termination Without Cause, Good Reason, and Retirement*. If the Participant ceases to be a Participant in the Plan during the Performance Period due to the Participant's termination of employment (A) involuntarily by the Company and/or its Affiliates without "Cause" (as defined below), including a termination where severance benefits become payable under an employer-sponsored plan applicable to the Participant or employment agreement, which includes a termination for "good reason" as defined in such plan or employment agreement, or (B) due to Retirement (as defined below), the Participant's Award for the Performance Period shall be payable in accordance with this Agreement, based upon the attainment of the Absolute Performance Goal and at least one Threshold Level of Achievement as provided in Section 2(c) and **Exhibit A** herein; provided that, if the Participant's termination of employment is involuntarily by the Company and/or its Affiliates without Cause, payment of the Award is contingent upon the Participant's execution of covenants not to solicit employees or clients of TFC or its Affiliates on terms generally applicable to similarly-situated executives. In the case of a Change of Control, the Performance Period shall end as of the later of the date of the Change of Control or the termination of the Participant's employment due to involuntary termination with Cause or good reason, and payment shall be made, within two and one-half (2 ½) months following the later of a Change of Control or the termination of the Participant's employment due to involuntary termination with Cause or good reason, as provided in Section 5 herein, calculated as provided in Section 2(c)(v) below. A termination shall be for "**Cause**" if the termination of the Participant's employment by the Company and/or its Affiliates is on account of the Participant's (x) dishonesty, theft or embezzlement; (y) refusal or failure to perform the Participant's assigned duties for TFC or an Affiliate in a satisfactory manner; or (z) engaging in any conduct that could be materially damaging to TFC or its Affiliates without a reasonable good faith belief that such conduct was in the best interest of TFC or any of its Affiliates. The determination of whether termination is for Cause shall be made by the Administrator (or its designee, to the extent permitted under the Plan), and its determination shall be final and conclusive. The phrase "termination of employment" means a Separation from Service. For purposes of this Award, "**Retirement**" occurs only when a Participant incurs a Separation from Service on or after the Participant's attainment of at least age 60 with at least 10 years of service with TFC and/or an Affiliate. If the Participant's termination of employment is involuntarily by the Company and/or its Affiliates without Cause and the

Participant declines to execute reasonable covenants not to solicit employees or clients of TFC or its Affiliates, any unvested portion of the Award will be forfeited.

(c) Performance Measures for Award. The pre-established three- (3-) year Performance Period's Performance Measures (as defined in Section 2(c)(i) below) applicable to the Award, the Participant's targeted percentage of the Participant's average base salary during the Performance Period ("**Participant's Target %**"), Levels of Achievement, and the potential projected cash payout to the Participant, based upon the Level of Achievement, are as follows:

(i) Performance Measures:

(aa) Absolute Performance Goal: The average return on average shareholders' common equity for TFC during the Performance Period, as adjusted by TFC ("**TFC ROACE**"), must be at least seven percent (7%), and if less than seven percent (7%) there will not be an Award payout.

(bb) Relative Performance Goal: If the Absolute Performance Goal is achieved, the next Performance Measure shall be the average return on shareholders' average common equity for TFC during the Performance Period, determined in accordance with United States generally accepted accounting principles, as adjusted by TFC ("**TFC ROACE**"), relative to the average, by company, return on average shareholders' common equity, determined in accordance with United States generally accepted accounting principles, achieved by each company, as adjusted by TFC, of the Peer Group during the Performance Period ("**Peer Group ROACE**").

(cc) Relative TSR Modifier: After the Level of Achievement of the Relative Performance Goal is determined by the Administrator as provided in this Agreement, the Relative TSR Modifier shall be determined and applied in accordance with the TSR Modifier chart in **Exhibit A** attached hereto and made a part hereof. As used in this Agreement, "**Relative Total Shareholder Return**" and "**Relative TSR**" mean TFC's total Common Stock shareholder return performance rank defined as a percentile for the Performance Period relative to the range of the Peer Group members' total common stock shareholder return for the Performance Period. Total shareholder return for TFC and each Peer Group member shall be calculated based upon TFC's Common Stock and the Peer Group members' common stock appreciation during the Performance Period plus the value of dividends paid during the Performance Period on such stock (which dividends shall be deemed to have been reinvested in such underlying stock).

(ii) For purposes of the Relative Performance Goal of the Award, there shall be levels of achievement ("**Level of Achievement**"), including threshold ("**Threshold**"), target ("**Target**"), and maximum ("**Maximum**"). For TFC ROACE the Threshold Level of Achievement shall be a TFC ROACE of the twenty-fifth (25th) percentile of the Peer Group ROACE; the Target Level of

Achievement shall be a TFC ROACE of the fiftieth (50th) percentile of the Peer Group ROACE; and the Maximum Level of Achievement shall be a TFC ROACE of the seventy-fifth (75th) percentile of the Peer Group ROACE. The Levels of Achievement range from the Threshold Level of Achievement to the Maximum Level of Achievement as illustrated in the Level of Achievement Chart attached hereto as **Exhibit A** and made a part hereof.

(iii) If the Threshold Level of Achievement is not attained for the Performance Period, there will not be an Award payout for the Relative Performance Goal. If the Threshold Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be fifty percent (50%) of the Participant's Target %. If the Target Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be one hundred percent (100%) of the Participant's Target %. If the Maximum Level of Achievement is attained for the Relative Performance Goal for the Performance Period, the Award payout to the Participant will be one hundred fifty percent (150%) of the Participant's Target %.

(iv) The projected Award payout to the Participant, if either the Target Level of Achievement for the Relative Performance Goal or if the Maximum Level of Achievement for the Relative Performance Goal is attained for the Performance Period is summarized in the following chart (with certain assumptions concerning the Participant's base salary for 2023, 2024 and 2025):

2023 Base Salary[1]	**2024 Base Salary**[1]	**2025 Base Salary**[1]	**Participant's Target %**	**Target Payout (if Target Level of Achievement Attained)**[2]	**Maximum Payout (if Maximum Level of Achievement Attained)**[2]
$	$	$	%	$[3]	$[3]

(v) For purposes hereof, the term "**Peer Group**" means Bank of America Corporation; Citizens Financial Group, Inc.; Fifth-Third Bancorp; JPMorgan Chase and Company; KeyCorp; M&T Bank Corporation; PNC Financial Services Group, Inc.; Regions Financial Corporation; U.S. Bancorp; Wells Fargo & Company.

(vi) *Change of Control*. If there is a Change of Control during the Performance Period, the Participant's Award shall be calculated using the Participant's "Averaged Base Salary," determined by adding (A) the Participant's actual base salary received for each completed calendar year preceding the Change of Control, and (B)

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1 Solely for illustration purposes, projections assume certain salary increases on March 1st of each year. Projections do not reflect negative discretion reductions by the Administrator.

2 The projected payouts will change based upon the Participant's actual base salary for 2022, 2023 and 2024.

3 Pursuant to the terms of the Plan, in the Administrator's discretion the Award may be payable in cash, in shares of Common Stock, or in a combination of both.

the actual annual base salary rate on record as of the date of the Change of Control for all uncompleted calendar years remaining in the Performance Period, the sum of (A) and (B) averaged over the original three (3) year Performance Period (the "**Averaged Base Salary**"). If there is a Change of Control during the Performance Period, the Participant's Award shall be calculated as follows: provided that the Absolute Performance Goal of Section 2(c)(i)(aa) is met for the completed calendar year(s) prior to the Change of Control (and if there are no completed calendar years prior to the Change of Control, the Absolute Performance Goal of Section 2(c)(i)(aa) shall be deemed to be met), Participant's Award shall be the sum of (1) and (2) as follows (and payable in accordance with Section 5 of this Agreement): (1) for completed calendar year(s) prior to the Change of Control, an Award amount shall be calculated by multiplying the Averaged Base Salary by the Participant's Target %, and then multiplying the product by the actual Level of Achievement attained during such completed calendar year(s) as provided in Section 2(c) and **Exhibit A,** then multiplying by a fraction, the numerator of which is the number of completed year(s) and the denominator of which is 3; and (2) for the remaining uncompleted calendar year(s) in the Performance Period, an Award amount calculated by multiplying the Averaged Base Salary by the Participant's Target %, and then multiplying the product by the Target Level of Achievement for the Relative Performance Goals in **Exhibit A**, then multiplying by a fraction, the numerator of which is the number of uncompleted calendar year(s) and the denominator of which is 3**.** For the avoidance of doubt, a Change of Control will not, by itself, shorten the Performance Period.

(vii) For purposes of Section 2(c)(vi) above, a "**Change of Control**" will be deemed to have occurred on the earliest of the following dates: (A) the date any person or group of persons (as defined in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), together with its affiliates, excluding employee benefit plans of TFC and its Affiliates, is or becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act) of securities of TFC representing thirty percent (30%) or more of the combined voting power of TFC's then outstanding securities; or (B) the date when, as a result of a tender offer or exchange offer for the purchase of securities of TFC (other than such an offer by TFC for its own securities), or as a result of a proxy contest, merger, consolidation or sale of assets, or as a result of any combination of the foregoing, individuals who at the beginning of any consecutive twelve- (12-) month period during the Performance Period of the Award constituted TFC's Board, plus new directors whose election or nomination for election by TFC's shareholders is approved by a vote of at least two-thirds of the directors still in office who were directors at the beginning of such twelve- (12-) month period (collectively, the "**Continuing Directors**"), cease for any reason during such twelve- (12-) month period to constitute at least two-thirds of the members of such board of directors; (C) the date that a transaction for the sale or disposition by TFC of all or substantially all of TFC's assets (within the meaning of Section 409A) closes or is otherwise successfully consummated; or (D) the date that any one person, or more than one person acting as a group, acquires ownership of stock of TFC that, together with stock held by such person or group constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of TFC within the meaning of Section 409A.

3. **Vesting of Award.** Subject to the terms of the Plan and the Agreement (including but not limited to the provisions of Sections 2, 4 and 5 herein), the Award shall be one hundred percent (100%) vested and, to the extent any Award payout is determined by the Administrator, earned on January 1, 2026, following the December 31, 2025 expiration of the Performance Period, provided that the Administrator has not determined that all or any part of the Award shall be cancelled or forfeited as a result of either (i) a significant, negative risk outcome as a result of a corporate or individual action, or (ii) TFC incurring an aggregate operating loss for the Performance Period. The Administrator has sole authority to determine whether and to what degree the Award has vested and is payable and to interpret the terms and conditions of this Agreement and the Plan.

4. **Forfeiture of Award**. Except as may be otherwise provided in the Plan or in this Agreement (including, without limitation, the provisions of Section 2(b) herein), in the event that the employment of the Participant with TFC or an Affiliate terminates for any reason and the Award has not vested pursuant to Section 3, then the Award, to the extent not vested as of the Participant's termination of employment date, shall be forfeited immediately upon such termination, and the Participant shall have no further rights with respect to the Award. The Administrator (or its designee, to the extent permitted under the Plan) shall have sole discretion to determine if a Participant's rights have terminated pursuant to the Plan and this Agreement, including but not limited to the authority to determine the basis for the Participant's termination of employment. The Participant expressly acknowledges and agrees that, except as otherwise provided in this Agreement, the termination of the Participant's employment shall result in forfeiture of the Award and any underlying payout to the extent the Award has not vested as of the Participant's termination of employment date.

5. **Award Payout**.

(a) The amount of the Award payout, if any, shall be determined by the Administrator following the end of the Performance Period in accordance with the terms of this Agreement and the Plan including, without limitation, all applicable adjustments to the calculation of the Performance Measures.

(b) The Award payout determined pursuant to Section 5(a) shall be payable, and paid, in cash, shares of Common Stock, or a combination of cash and shares of Common Stock, as determined by the Administrator in its sole discretion.

(c) Award payout shall, upon vesting of the Award, be made to the Participant (or in the event of the Participant's death, to the Participant's beneficiary or beneficiaries) in a lump sum within two and one-half (2 ½) months following the end of the Performance Period, or the end of the Partial Performance Period as defined in Section (2)(b) (provided that if such two and one-half (2 ½) month period begins in one calendar year and ends in another, the Participant (or the Participant's beneficiary or beneficiaries) shall not have the right to designate the calendar year of payment).

6. **No Right to Continued Employment or Service**. Neither the Plan, the grant of the Award, nor any other action related to the Plan shall confer upon the Participant any right to continue in the employment or service of TFC or an Affiliate or affect in any way with the right of TFC or an Affiliate to terminate the Participant's employment or service at any time. Except as otherwise expressly provided in the Plan or this Agreement or as determined by the Administrator, all rights of the Participant with respect to the Award shall terminate upon termination of the employment or service of the Participant with TFC or an Affiliate. The grant of the Award does not create any obligation on the part of TFC or an Affiliate to grant any further awards. So long as the Participant shall continue to be an Employee of TFC or an Affiliate, the Award shall not be affected by any change in the duties or position of the Participant.

7. **<u>Nontransferability of Award and Shares</u>**. The Award, and any Award payout, shall not be transferable (including by sale, assignment, pledge or hypothecation) other than by will or the laws of intestate succession. The designation of a beneficiary in accordance with Plan procedures does not constitute a transfer; provided, however, that unless disclaimer provisions are specifically included in a beneficiary designation form accepted by the Administrator, no beneficiary of the Participant may disclaim the Award.

8. **<u>Non-solicitation Covenants</u>**.

(a) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit or recruit for employment or encourage to leave employment with TFC, on Participant's own behalf or that of any other person any employee of TFC with whom Participant worked during Participant's employment or about whom Participant came to know confidential information as a result of employment with TFC and who has not thereafter ceased to be employed by TFC for a period of at least three (3) months. This provision will not prohibit the Participant from soliciting or hiring any person who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet database, or recruiting or employment agencies, not specifically directed at employees of TFC. Participant acknowledges that by virtue of this provision, they are likewise restricted from being solicited or recruited for employment by current or former employee of Truist also bound by a similar provision, directly or indirectly and hereby knowingly consents to that restriction. This Section shall not prohibit Participant from responding to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, internet databases, or recruiting or employment agencies, not specifically directed at employees or consultants of Truist.

(b) In consideration of the grant of this Award, Participant agrees that, during employment with TFC and for twelve (12) months after the termination of Participant's employment by either party and for any reason, Participant will not directly or indirectly solicit, communicate with or otherwise contact any of TFC's customers with whom Participant had material contact during employment with TFC, for the purpose of conducting any business with them on behalf of any person or entity other than TFC which is substantially similar to the business conducted by the business unit in which Participant last worked at TFC. Participant will not directly or indirectly solicit, communicate with or otherwise contact any of Truist's third-party vendors with whom Participant had material contact during employment with Truist, for the purpose of diverting their business away from Truist to any person or entity other than Truist which is substantially similar to the business conducted by the business unit in which Participant last worked at Truist, or otherwise disrupting Truist's relationship with the third-party vendor. "Material contact" means (i) actual contact with Business Partner, third-party vendors or customers—such as through the provision or receipt of services or sales visits or calls—or (ii) coming to know confidential information about a TFC vendor or customer—such as by obtaining pricing and sales information. This provision does not prohibit Participant from accepting as a vendor or client any person or entity who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, or internet databases, not specifically directed at Business Partner, vendors or customers of TFC.

(c) Participant agrees that the preceding provisions are reasonable and necessary to protect TFC's legitimate business interests and that they will not unreasonably interfere with Participant's ability to earn a living following his/her separation from TFC. Finally, Participant agrees that, in the event Participant breaches or threatens to breach these non-solicitation provision, such breach will cause irreparable harm and injury to TFC and will leave TFC with no adequate remedy at law, and (i) TFC may seek equitable relief, without the necessity of posting a bond, in addition to monetary damages and any other appropriate relief; and (ii) TFC will be entitled to its reasonable attorneys' fees and costs incurred in enforcing this provision.

(d) Participant and TFC agree that any of the preceding non-solicitation provisions is ever determined by a court to exceed the time, scope, or geographic limitations permitted by applicable law, then such provision(s) will be reformed to the maximum time, scope, and geographic limitations permitted by law. If any such provision(s) cannot be so reformed, then such provision will be severed from this Agreement and will not adversely affect the legality, validity, or enforceability of any of the remaining provisions in this Agreement.

9. **Superseding Agreement; Binding Effect**. This Agreement supersedes any statements, representations or agreements of TFC with respect to the grant of the Award or any related rights, and the Participant hereby waives any rights or claims related to any such statements, representations or agreements. This Agreement does not supersede or amend any existing confidentiality agreement, nonsolicitation agreement, noncompetition agreement, employment agreement or any other similar agreement between the Participant and TFC or an Affiliate, including, but not limited to, any restrictive covenants contained in such agreements.

10. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the principles of conflicts of law, and in accordance with applicable United States federal laws.

11. **Amendment and Termination; Waiver**. Subject to the terms of the Plan, this Agreement may be amended or terminated only by the written agreement of the parties hereto. The waiver by TFC of a breach of any provision of the Agreement by the Participant shall not operate or be construed as a waiver of any subsequent breach by the Participant. Notwithstanding the foregoing, the Administrator shall have unilateral authority to amend the Plan and this Agreement (without Participant consent) to the extent necessary to comply with applicable law or changes to applicable law (including but in no way limited to Section 409A and federal securities laws), and the Participant hereby consents to any such amendments to the Plan and this Agreement.

12. **Issuance of Shares; Rights as Shareholder**. The Participant and the Participant's legal representatives, legatees or distributees shall not be deemed to be the holder of any Shares subject to the Award and shall not have any voting rights, dividend rights or other rights of a shareholder unless and until such Shares have been issued to the Participant or them. No Shares subject to the Award shall be issued at the time of grant of the Award. Shares subject to the Award shall be issued in the name of the Participant (or, if the Participant is deceased, in the name of the Participant's beneficiary or beneficiaries) as soon as practicable after, and only to the extent that, the Award has vested and if such distribution is otherwise permitted under the terms of Section 5 herein. **Neither dividends nor dividend equivalent rights shall be granted in connection with the Award, and the Award shall not be adjusted to reflect the**

distribution of any dividends on the Common Stock (except as may be otherwise provided under the Plan). No dividends on the Shares shall be payable prior to both (i) the vesting of the Award and (ii) the issuance and distribution of Shares to the Participant.

13. **Withholding; Tax Matters**.

(a) TFC or an Affiliate shall report all income and withhold all required local, state, federal, foreign income and other taxes and any other amounts required to be withheld by any governmental authority or law from any amount payable in cash with respect to the Award. Prior to the delivery or transfer of any shares of Common Stock or any other benefit conferred under the Plan, TFC shall require the Participant to pay to TFC in cash the amount of any tax or other amount required by any governmental authority to be withheld and paid over by TFC or an Affiliate to such authority for the account of such recipient. Notwithstanding the foregoing, the Administrator may establish procedures to permit a recipient to satisfy such obligation in whole or in part, and any local, state, federal, foreign or other income, employment and other tax obligations relating to the Award, by electing (the "**election**") to have TFC withhold shares of Common Stock from any shares of Common Stock to which the recipient is entitled. The number of shares of Common Stock to be withheld shall have a Fair Market Value as of the date that the amount of tax to be withheld is determined as nearly equal as possible to the amount of such obligations being satisfied. Each election must be made in writing to the Administrator in accordance with election procedures established by the Administrator, including, without limitation, procedures established by the Administrator after TFC's adoption of ASU 2016-09, *Compensation – Stock Compensation (Topic 718)* dated March, 2016.

(b) TFC has made no warranties or representations to the Participant with respect to the tax consequences (including but not limited to income tax consequences) related to the Award or the payout, if any, pursuant to the Award, and the Participant is in no manner relying on TFC or its representatives for an assessment of such tax consequences. The Participant acknowledges that there may be adverse tax consequences with respect to the Award and that the Participant should consult a tax advisor. The Participant acknowledges that the Participant has been advised that the Participant should consult with the Participant's own attorney, accountant, and/or tax advisor regarding the decision to enter into this Agreement and the consequences thereof. The Participant also acknowledges that TFC has no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for the Participant.

14. **Administration**. The authority to construe and interpret this Agreement and the Plan, and to administer all aspects of the Plan, shall be vested in the Administrator, and the Administrator shall have all powers with respect to this Agreement as are provided in the Plan. Any interpretation of the Agreement by the Administrator and any decision made by it with respect to the Agreement are final and binding on the parties hereto.

15. **Notices**. Any and all notices under this Agreement shall be in writing and sent by hand delivery or by certified or registered mail (return receipt requested and first-class postage prepaid), in the case of TFC, to its Human Resources Division, 214 N Tryon Street, Charlotte, NC 28202, attention: Chief Human Resources Officer, and in the case of the Participant, to the last known address of the Participant as reflected in TFC's records.

16. **Severability**. The provisions of this Agreement are severable; and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. **Compliance with Laws; Restrictions on Award and Shares of Common Stock**. TFC may impose such restrictions on the Award and any shares of Common Stock relating to the payout of the Award as it may deem advisable, including without limitation restrictions under the federal securities laws, federal tax laws, the requirements of any stock exchange or similar organization and any blue sky, state or foreign securities laws applicable to such Award or shares of Common Stock. Notwithstanding any other provision in the Plan or this Agreement to the contrary, TFC shall not be obligated to issue, deliver or transfer any shares of Common Stock, make any other distribution of benefits under the Plan, or take any other action, unless such delivery, distribution or action is in compliance with all applicable laws, rules and regulations (including but not limited to the requirements of the Securities Act). TFC may cause a restrictive legend or legends to be placed on any certificate for shares of Common Stock issued pursuant to the Award in such form as may be prescribed from time to time by applicable laws and regulations or as may be advised by legal counsel.

18. **Successors and Assigns**. Subject to the limitations stated herein and in the Plan, this Agreement shall be binding upon and inure to the benefit of the Participant and the Participant's executors, administrators and permitted transferees and beneficiaries and TFC and its successors and assigns.

19. **Counterparts; Further Instruments**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties hereto agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

20. **Right of Offset**. Notwithstanding any other provision of the Plan or this Agreement, subject to any applicable laws to the contrary, TFC may reduce the amount of any benefit or payment otherwise payable to or on behalf of the Participant by the amount of any obligation of the Participant to TFC or an Affiliate that is or becomes due and payable, and the Participant shall be deemed to have consented to such reduction; provided, however, that to the extent Section 409A is applicable, such offset shall not exceed the greater of Five Thousand Dollars ($5,000) or the maximum offset amount then permitted under Section 409A.

21. **Adjustment of Award**.

(a) The Administrator shall have authority to make adjustments to the terms and conditions of the Award in recognition of unusual or nonrecurring events affecting TFC or any Affiliate, or the financial statements of TFC or any Affiliate, or of changes in applicable laws, regulations or accounting principles, if the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or necessary or appropriate to comply with applicable laws, rules or regulations.

(b) Notwithstanding anything contained in the Plan or elsewhere in this Agreement to the contrary, (i) the Administrator, in order to comply with applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act) and any risk management requirements and/or policies adopted by TFC, retains the right at all times to decrease or terminate the Award and payments under the Plan, and any and all amounts payable under the Plan or paid under the Plan shall be subject to clawback, forfeiture, and reduction to the extent determined by the Administrator as necessary to comply with applicable law and/or policies adopted by TFC; and (ii) in the event any legislation, regulation(s), or formal or informal guidance require(s) any compensation payable under the Plan (including, without limitation, the Award) to be deferred, reduced, eliminated, or subjected to vesting, the Award shall be deferred, reduced, eliminated, paid in a different form or subjected to vesting or other restrictions as, and solely to the extent, required by such legislation, regulation(s), or formal or informal guidance.

22. **Award Conditions**.

(a) Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that either (i) the Administrator or the Board of Governors of the Federal Reserve System determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to improve the risk sensitivity of the Award, whether by (a) adjusting the Award quantitatively or judgmentally based on the risk the Participant's activities pose to TFC or an Affiliate; (b) extending the Performance Period for determining the Award; (c) extending the Performance Period and adjusting for actual losses or other performance issues; or (d) otherwise as required by the Administrator or the Federal Reserve System; or (ii) the Administrator or the United States government (including, without limiting any agency thereof) determines that any change to the Plan and/or this Agreement is required, necessary, advisable, or deemed appropriate to comply with any applicable law, regulation, or requirement; then this Agreement and/or the Award shall be automatically amended to incorporate such change, without further action of the Participant, and the Administrator shall provide the Participant notice thereof.

(b) Notwithstanding anything contained in the Plan or this Agreement to the contrary, to the extent that either the Administrator or the United States government (including, without limitation, any agency thereof) determines that the Award granted to the Participant pursuant to this Agreement is prohibited or substantially restricted by, or subjects TFC or an Affiliate to any adverse tax consequences that TFC or an Affiliate is not otherwise subject to on the Grant Date because of, any current or future United States law, any rule, regulation, or other authority, then this Agreement shall automatically terminate effective as of the Grant Date and the Award shall automatically be cancelled as of the Grant Date without further action on the part of the Administrator or the Participant and without any compensation to the Participant for such termination and cancellation. The Administrator agrees to provide notice to the Participant of any such termination and cancellation.

IN WITNESS WHEREOF, this Agreement has been executed in behalf of TFC and by the Participant effective as of the Grant Date.

TRUIST FINANCIAL

CORPORATION

By: __

PARTICIPANT

__

<<First Name>> <<MI>> <<Last

Name>>

EXHIBIT A
TO
TRUIST FINANCIAL CORPORATION
2022 INCENTIVE PLAN

LTIP Award Agreement
(Senior Executive)

(January 1, 2023 through December 31, 2025 Performance Period - 2026 Payout)

1. **Absolute Performance Goal**: The Absolute Performance Goal is a TFC ROACE of seven percent (7%) for the Performance Period.

2. **Relative Performance Goals**: If the Absolute Performance Goal is achieved, the Award payout for the Performance Period will then be evaluated by the Administrator against the Peer Group based upon TFC ROACE relative to Peer Group ROACE, pursuant to the following:

ROACE

Level of Achievement	Percentile Performance (TFC ROACE Relative to Peer Group ROACE)	Weight	Payout Percent of Participant's Target %
Threshold	**25th**	**100%**	**50%**
Target	**50th**	**100%**	**100%**
Maximum	**75th or greater**	**100%**	**150%**

Straight line interpolation will be used to calculate payout percentages not specifically listed in the "Payout Percent of Participant's Target %" column above. For performance that is less than the 25th percentile, the payout percentage is 0%.

3. **Relative TSR Modifier**:

Relative TSR (Percentile Performance of TFC TSR Relative to Peer Group TSR)	TSR Modifier	
25th or less	20%	Additive reduction in Award payout
Greater than 25th but less than 75th	0%	Reduction or increase in Award payout
75th or greater	20%	Additive increase in Award payout, provided that the maximum Award payout shall be 150% of Target %

4. **Discretionary Decreases**: The Administrator has the discretion to decrease Award payouts based on business factors, including but not limited to, industry conditions, performance relative to peers, regulatory developments, and changes in capital requirements.

Exhibit 10.6

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”), dated the 15th day of February, 2023, is by and between John Howard, a resident of the State of North Carolina (“Employee”), and TRUIST INSURANCE HOLDINGS, INC., a Delaware corporation (together with any successor thereto, including, without limitation, Truist Insurance Holdings, LLC., a Delaware limited liability company, “Truist Insurance”).

RECITALS

WHEREAS, Employee has served as the Chairman and CEO of Truist Insurance under an employment agreement between the parties dated September 30, 2020, as amended (the “Prior Agreement”);

WHEREAS, in connection with the closing of the transactions contemplated by the Equity Purchase Agreement by and among Trident Butterfly Investors, Inc., Truist Bank and Truist Insurance Holdings, Inc. (the “Purchase Agreement”) the parties mutually desire to amend the Prior Agreement effective on the Closing Date (as defined in the Purchase Agreement) (the “Effective Date”);

WHEREAS, concurrently with the Closing, the Amended and Restated Limited Liability Company Agreement of Truist Insurance Holdings, LLC. (the “LLC Agreement”) will be executed; and

WHEREAS, if the Closing (as defined in the Purchase Agreement) does not occur or if the Purchase Agreement is terminated in accordance with Article 8 of the Purchase Agreement, this Agreement will be null and void *ab initio* and will be of no force or effect and the Prior Agreement shall continue to be applicable;

THEREFORE, in consideration for the promises, mutual covenants and terms of this Agreement, Employee and Truist Insurance (collectively, “the parties” and individually, a “party”) agree as follows:

1. **Appointment.** As of the Effective Date, Employee will continue to serve as Chairman and CEO of Truist Insurance under the classification standards of Truist Insurance, to act and perform services on behalf of Truist Insurance and its subsidiaries, including but not limited to McGriff Insurance Services, LLC., AmRisc, LLC., Crump Life Insurance Services, LLC., and CRC Insurance Services on an exclusive basis. Employee accepts this designation and appointment.

2. **General Duties and Authority under the Employment Designation.**

(a) Status. This Agreement establishes an employer/employee relationship. Employee shall conduct his duties and responsibilities in a professional manner and consistent with the policies and practices of Truist Insurance.

(b) Manner of Performance. Employee will carry out the duties and responsibilities under this Agreement in a faithful, diligent and responsible manner. Employee will be based in North Carolina but shall also perform his duties and responsibilities in such locations as may be mutually agreed upon between the parties. Employee shall report to the Chief Executive Officer of Truist Bank or his designees (“Supervisor”). Truist Bank will take into account Employee’s status and position if it determines someone other than the Chief Executive Officer will be Employee’s Supervisor. Employee shall have such responsibilities as may be duly authorized or directed by the

Supervisor which are not inconsistent with the provisions of this Agreement. Employee will conduct himself at all times during the Term faithfully, diligently, competently and to the best of his abilities and according to the best interests of Truist Insurance. During the Term, Employee shall devote his full business time, attention and effort to the affairs of Truist Insurance and shall not be engaged in any other business activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage, without the prior written consent of Truist Insurance, provided, however, that the foregoing is not intended to restrict Employee's ability to engage in charitable, educational, civic or community activities to the extent that such activities do not materially interfere with his duties hereunder.

3. **Term and Duration of Employment: Termination; Definitions.**

(a) In consideration of the Agreement's nonsolicitation and confidentiality provisions, Employee's employment with Truist Insurance shall commence on the Effective Date and shall expire on the fifth anniversary of the Effective Date (the "Term"), or, if sooner, upon the first to occur of the following:

(i) Employee's death or Disability (as defined below); Employee's termination For Cause (as defined below); or termination by Employee other than For Good Reason (as defined below): Employee will not receive compensation, vacation or any other benefits after such termination except to the extent earned, accrued and vested prior to Employee's Date of Termination (as defined below). However, if Employee's employment terminates due to Employee's death or Disability, Employee will receive (z) an amount, payable in one lump sum 30 days after the Date of Termination, equal to the product of (A) Employee's Target Bonus Opportunity (as defined below), and (B) a fraction, the numerator of which is equal to the number of days in such fiscal year that precede the Date of Termination and the denominator of which is equal to 365; provided, however, that if the amount payable pursuant to this clause (z) is deemed to be deferred compensation subject to the requirements of Section 409A (as defined below), then such amount shall be paid to Employee (or Employee's beneficiary in the event of death) in equal installments on Truist Insurance's regular payroll dates over the 24 month period following Employee's Date of Termination, commencing, subject to Section 26, within 30 days after Employee's Date of Termination.

(ii) Truist Insurance terminates Employee's employment other than For Cause; or Employee, in good faith, upon notice in writing to Truist Insurance, terminates his employment with Truist Insurance For Good Reason. Employee (or following his death, his beneficiaries), shall have the right to receive Separation Compensation (as defined below); provided that such termination constitutes a Separation from Service (as defined below).

(b) The following capitalized terms have the following meanings (whether used in this Section 3 or elsewhere in this Agreement):

(i) "Affiliate" means an employer with which Truist Insurance would be considered a single employer under Sections 414(b) and 414(c) of the Code, applied using 80% as the percentage of ownership required under such Code sections.

(ii) "Code" means the Internal Revenue Code of 1986, as amended.

(iii) "Date of Termination" means the last day Employee is considered an active employee of Truist Insurance.

(iv) "For Cause" means a determination of the Truist Insurance Board of Directors that any of the following events have occurred:

(A)(1) Employee's conviction or plea of guilty or *nolo contendre* to, a felony or (2) the commission of any act involving moral turpitude, dishonesty, disloyalty or fraud that results in material financial or reputational harm to Truist Insurance or any of its affiliates; (B) Employee's breach of fiduciary duty, gross negligence or willful misconduct with respect to Truist Insurance or any of its affiliates that has caused Truist Insurance or any of its affiliates material financial or reputational harm; (C) Employee's failure to substantially perform Employee's duties hereunder (other than any such failure due to Employee's physical or mental illness or death), or (D) Employee's material breach of any of Employee's obligations hereunder, under any other material written agreement or covenant Employee has entered into with Truist Insurance, or under any material written policy, program or code of Truist Insurance that is applicable to Employee and senior executives of Truist Insurance, provided, however, that, if capable of cure, a termination For Cause under clauses (A)-(D) shall be effective only if, within 30 days following delivery of a written notice by Truist Insurance to Employee that Truist Insurance is terminating his employment For Cause, Employee has failed to cure the circumstances giving rise to a For Cause termination.

(v) A termination of employment by Employee "For Good Reason" shall mean any termination of employment by Employee within three months following a reduction by Truist Insurance in the Employee's Total Salary (other than in connection with an across the board reduction of the base salaries of the senior executives of Truist Insurance) or a reduction by Truist Insurance in Employee's Target Bonus Opportunity (defined below).

(vi) "Disability" with respect to Employee shall mean disability of Employee as determined by the issuer of Truist Insurance's disability insurance policy; provided that, to the extent that any payment under this Agreement constitutes nonqualified deferred compensation that is paid upon a disability, Disability shall mean a "disability" within the meaning of Section 409A and payment shall be made within 90 calendar days of the determination of the existence of such a Disability (provided that if such 90-day period begins in one calendar year and ends in another, Employee shall not have a right to designate the calendar year of payment).

(vii) "Section 409A" means Section 409A of the Code and the regulations issued thereunder.

(viii) "Separation Compensation" means: payment to Employee (or, following Employee's death. Employee's beneficiaries) of any accrued salary and vacation earned through the Date of Termination and any unpaid Annual Cash Bonus for a prior fiscal year, and provided that Employee (or to the extent applicable, his estate) executes and delivers a general release of all claims "Separation Agreement", which release shall not have been revoked, an amount equal to two times the sum of (x) Employee's Total Salary as in effect immediately prior to Employee's Date of Termination, without taking into account any reduction in such Total Salary, plus (y) Employee's Target Bonus Opportunity for the fiscal year in which the Date of Termination occurs (the "Cash Severance Benefit"). The Cash Severance Benefit shall be payable in equal installments on Truist Insurance's regular payroll dates in the jurisdiction in which Employee works over the 24 month period (the "Severance Period") following Employee's Date of Termination, commencing, except as set forth below, not later than 30 days after Employee's Date of Termination. Separation Compensation shall be subject to forfeiture for Employee's failure to execute and deliver the Separation Agreement to Truist Insurance. Separation Compensation shall also be subject to forfeiture if a court of final jurisdiction finds that Employee has failed to continue to comply with the applicable periods set forth in Sections 8, 9, 11 and 12. In addition to the Separation Compensation, if Employee's employment shall terminate and Employee is entitled to receive Separation Compensation, Truist Insurance shall continue to provide to Employee until the 18 month anniversary of the Date of Termination the welfare benefits referred to in Section 5 as in effect on his Date of Termination (or generally comparable coverage) for himself and, where applicable, his spouse and dependents, at the same premium rates as may be charged from time to time for employees generally, as if Employee had continued in employment during such period.

Upon the occurrence of such 18 month anniversary, Truist Insurance shall pay to Employee in a lump sum an amount equal to 6 times the monthly COBRA rate for such welfare benefits, as determined on the date of such 18 month anniversary.

Notwithstanding anything to the contrary in this Agreement, if Employee is a Specified Employee (as defined below), any severance payments payable upon his Separation from Service that constitute nonqualified deferred compensation subject to Section 409A, shall not be paid until within the 30-day period commencing with the first day of the seventh month following the month of Employee's Separation from Service; provided that if such 30-day period begins in one calendar year and ends in another, Employee shall have no right to designate the calendar year of payment. In the case of a delay applicable to Specified Employees, the first payment shall contain any payments due for the first six plus months, as well as the next regular payment amount, if any.

(ix) "Separation from Service" means a termination of employment with Truist Insurance and all Affiliates that is a "separation from service" within the meaning of Section 409A.

(x) "Specified Employee" means a "specified employee" within the meaning of Section 409A and the Truist Financial Corporation's specified employee identification policy, if any.

(c) Unless specifically agreed upon in writing by Truist Insurance and Employee, if this Agreement is terminated by (i) mutual consent or (ii) because Employee voluntarily terminated this Agreement, other than "For Good Reason," Employee shall have no right to compensation or benefits after termination, except for such compensation and benefits which have vested and accrued prior to termination and except for rights of Employee as may be provided under applicable laws.

(d) If Truist Insurance terminates Employee's employment For Cause or Employee terminates Employee's employment For Good Reason, the burden of showing such cause or good reason shall be on the party exercising such right of termination.

(e) The provisions of Sections 8, 9, 11 and 12 shall survive the termination of Employee's employment for any reason.

4. **Compensation.** Beginning with the Effective Date and continuing through the Term, subject to the sooner termination of Employee's employment as provided herein, Employee shall be compensated as set forth below. Truist Insurance shall deduct from all compensation paid to Employee all required federal, state and local withholding taxes, as well as any other deductions required by applicable law or authorized by Employee in writing.

(a) Salary. Employee shall receive a base salary at an annualized rate equal to One Million and 0/100 Dollars ($1,000,000.00) (with such base salary to become effective on February 15, 2023). After 2023, the rate of annual base salary shall be subject to review and change by Truist Insurance in accordance with the customary salary review policies and procedures of Truist Insurance applicable to other similar positions as Employee. The annual base salary payable to Employee under this Section 4(a), as the same may be increased from time to time, shall hereinafter be referred to as the "Total Salary". The Total Salary hereunder shall not be reduced below the annualized base salary as of Effective Date. Total Salary payable to Employee pursuant to this Section shall be paid in accordance with the customary payroll practices of Truist Insurance in the jurisdiction in which Employee works.

(b) Eligibility for Annual Cash Bonus. During the Term, each fiscal year Employee shall be entitled to an annual cash bonus opportunity subject to and based on the attainment by Employee and Truist Insurance of individual and financial performance targets. Employee shall have a target “at plan” cash bonus opportunity of 230% of Employee’s then current Total Salary for the fiscal year (the “Target Bonus Opportunity”) (which, for the avoidance of doubt, shall apply to all of the 2023 fiscal year). The amount of Employee’s annual cash bonus (Annual Cash Bonus”) with respect to a year may be greater or less than the Target Bonus Opportunity depending on Employee’s and Truist Insurance’s success in meeting or exceeding the performance targets for such year. Notwithstanding anything to the contrary contained in this Agreement or the applicable annual bonus plan (the “Bonus Plan”), Employee shall be entitled to receive an Annual Bonus for any given fiscal year pursuant to this Section 4 (and the Bonus Plan) only if Employee is employed on the date such bonus is paid. Bonuses, if any, shall be paid between January 1 and March 15 of the calendar year following the applicable fiscal year.

(c) Initial Equity Grant. As soon as reasonably practicable following the Effective Date and subject to the approval of the Board of Managers (the “Board”), the Employee will be granted equity interests in the Company that are intended to satisfy the requirement for a partnership profits interests with a Black-Scholes value of $17,500,000 (using assumptions provided by Truist Financial Corporation), with the actual number of Incentive Units (as defined in the LLC Agreement) to be determined by the Board. The Incentive Units granted to the Employee, once approved, will be on terms and conditions (including vesting) that are substantially the same as the terms previously communicated to the Employee, with one-half of the Incentive Units to vest based on continued service (with such vesting to be in four equal annual installments of 25% per annum, subject to continued employment) and one-half of the Incentive Units to vest based on both continued service and certain exit events. Any Incentive Units will be subject to the terms and conditions set forth in the final documentation.

5. **Other Benefits.** Employee shall be entitled to participate in the employee benefit programs of Truist Insurance, including the Truist Financial Corporation Nonqualified Defined Contribution Plan (including any match provided thereunder), the Truist Financial Corporation Pension Plan, and the Truist Financial Corporation Nonqualified Defined Benefit Plan, that are made available to similarly situated employees of Truist Insurance, subject to the terms and conditions of such programs as the same may be amended from time to time. For purposes of the Truist Financial Corporation Pension Plan and the Truist Financial Corporation Nonqualified Defined Benefit Plan, Employee’s participation for purposes of benefit accrual was effective April 2, 2012, and Employee is vested in his accrued benefit. Employee acknowledges that Truist Financial Corporation and Truist Insurance have the right to make changes to their benefits programs.

6. **Vacation.** During the Term, each calendar year Employee shall be entitled to the greater of (i) 30 paid time off days or (ii) the number of paid time off days provided in the Truist Financial Corporation then current vacation policy for employees, which shall accrue in accordance with the terms of the applicable vacation policy.

7. **Reimbursement of Expenses.** Employee shall be reimbursed for reasonable expenses incurred by Employee in furtherance of Employee’s duties under this Agreement. Reimbursement shall include reasonable customer entertainment, civic club and professional dues and continuing training and education costs, all of which shall be subject to the Truist Insurance Employee Related Expense Management Policy. Notwithstanding any terms of the Truist Insurance Employee Related Expense Management Policy to the contrary, in compliance with Section 409A:

(a) The amount of expenses eligible for reimbursement during any calendar year shall not affect the amount of expenses eligible for reimbursement in any other calendar year.

(b) The reimbursement of an eligible expense shall be made on or before December 31 of the calendar year following the calendar year in which the expense was incurred.

(c) The right to reimbursement shall not be subject to liquidation or exchange for another benefit.

8. **Nonsolicitation; Defined Terms.**

(a) Nonsolicitation. Employee agrees that, unless specifically authorized by Truist Insurance in writing. Employee will not, during Employee's employment and for a period of two years following the date of termination of Employee's employment with Truist Insurance (whatever the reason for the end of the employment relationship), directly or indirectly:

(i) Solicit, recruit, encourage or support any employee of Truist Insurance who had performed work for Truist Insurance within the last year of Employee's employment with Truist Insurance to leave the employment of Truist Insurance;

(ii) Solicit, contact, encourage or support, on Employee's own behalf or on behalf of any business in competition with Truist Insurance, any provider of insurance products to Truist Insurance with which Employee has had material contact within the last year of Employee's employment with Truist Insurance to discontinue doing or to reduce the amount of business with Truist Insurance; or

(iii) Solicit, contact, divert, or call upon with the intent of doing business with, any "Truist Insurance Customer" (as defined below) on Employee's own behalf or on behalf of any "Competitive Business" (as defined below), if the purpose of the activity is to solicit the Truist Insurance Customer for a Competitive Business (including but not limited to any Competitive Business started by Employee).

(b) Defined Terms. The following capitalized terms shall have the following meanings:

(i) "Competitive Business" means an enterprise that is in the business of selling, trading, or servicing of wholesale insurance products that are competitive with those offered by Truist Insurance during the term of Employee's employment with Truist Insurance or that is in the business of retail brokerage that is competitive with retail brokerage services offered by Truist Insurance during the term of Employee's employment with Truist Insurance; provided, however, the term "Competitive Business" shall not include any insurance product manufacturer (including, but not limited to, MetLife, Prudential, Hartford, Nationwide, etc.).

(ii) "Truist Insurance Customer" means any company or individual customer of Truist Insurance with whom, within the two-year period ending with the termination of Employee's employment, Employee had material contact, who was otherwise contacted or served by Employee, or who Employee knew' his direct reports had material contact, regarding (A) the sale, trade or service or the attempted sale, trade or service of wholesale insurance products or (B) any other business activities of Truist Insurance.

9. **Noncompetition.** In connection with the employment of Employee by Truist Insurance and the payment of compensation to Employee during the Term of this Agreement, Employee agrees that, unless specifically authorized by Truist Insurance in writing, Employee will not, for a period of two years following the date of termination of Employee's employment with Truist Insurance (whatever the reason for the end of the employment relationship), directly or indirectly, own any interest in, operate, join, control or participate as a partner, director, principal, officer or agent of, enter into the employment of, act as a consultant to, or perform any services for any Competitive Business in a capacity identical or similar to that in which Employee worked for Truist Insurance.

10. **Employee Acknowledgments.**

(a) Employee agrees that during the Term, Employee will not engage in the sale, trade or servicing or attempted sale, trade or servicing of business insurance individually or with any company or individual other than Truist Insurance.

(b) Employee acknowledges that the restrictions placed upon Employee by Sections 8 and 10(a) of this Agreement are reasonable given the nature of Employee's position with Truist Insurance, the area in which Truist Insurance markets its products and services, and the consideration provided by Truist Insurance to Employee. Specifically, Employee acknowledges that the length of the restrictive covenants given above is reasonable and that the definitions of "Truist Insurance Customer" and "Competitive Business" are reasonable. Employee acknowledges that these restrictions will not cause an unfair burden on Employee.

(c) Employee acknowledges that all of the provisions of Sections 8, 9, 11 and 12 of this Agreement are fair and necessary to protect the interests of Truist Insurance and to prevent Employee from unfairly taking advantage of contacts established during employment. Accordingly, Employee agrees not to contest the validity or enforceability of such sections of this Agreement and agrees that if any court should hold any provision of such sections or this Agreement to be unenforceable, the remaining provisions will be enforceable. Further, if any provision or subsection is held to be over broad as written, Employee agrees that a court should modify said provision or subsection in order to make it enforceable and view the above provisions and subsections as separable and uphold those separable provisions and subsections deemed to be reasonable. Sections 8, 9, 11 and 12 shall survive the termination of this Agreement.

11. **Truist Insurance Information.** Employee acknowledges and agrees that all sales files, customer records, customer lists, and reports used, prepared or collected by Employee are the property of Truist Insurance and agrees that, in the event of the termination of his employment with Truist Insurance for any reason, he will return and make available to Truist Insurance prior to the last day of his employment all sales files, customer records, customer lists, reports and all other Truist Insurance property and materials in his possession.

12. **Confidentiality.** For and in consideration of the terms of this Agreement, Employee agrees to the following for the protection of Truist Insurance and its Affiliates:

(a) During the Term and for a period of three years following the date of the voluntary or involuntary termination of Employee's employment with Truist Insurance, for whatever reason, Employee will not, without prior written approval by Truist Insurance: (i) misappropriate; (ii) use for the purpose of competing with Truist Insurance, either directly or indirectly; (iii) disclose to any third party, either directly or indirectly; or (iv) aid anyone else in disclosing to any third party, either directly or indirectly, all or any part of any "Confidential Information" (as defined below) to the extent that such Confidential Information does not rise to the level of a trade secret under applicable law.

To the extent that said Confidential Information does rise to the level of a trade secret under applicable law, then, during the Term and thereafter for as long as said Confidential Information remains a trade secret under applicable law (or for the maximum duration provided under such law), Employee will act in accordance with the terms of applicable law governing trade secrets.

(b) "Confidential Information" means: (i) confidential information described in the Truist Financial Corporation Code of Ethics and Truist Insurance Code of Conduct as may be amended from time-to-time; (ii) any confidential, proprietary Truist Insurance information regarding a customer of Truist Insurance, including but not limited to customer lists, contracts, information, requirements, billing histories, marketing methods, needs and products or services provided by Truist Insurance to such customers; (iii) all confidential financial information concerning Truist Insurance or its affiliates, including but not limited to, financial statements, balance sheets, profit and loss statements, earnings, commissions and salaries paid to employees, sales data and projections, cost analyses and similar information; (iv) all confidential sources and methods of supply to Truist Insurance or its affiliates, including but not limited to contracts and similar information; (v) all confidential plans and projections for business opportunities for new or developing business of Truist Insurance or its affiliates, including information pertaining to potential customers or prospects; and (vi) all confidential information relating to Truist Insurance's prices, costs, research and development activities, service performance, financial data and operating results, employee lists, personnel matters and other confidential or proprietary information, designs, patents, ideas and trade secrets.

"Confidential Information" shall not, however, include any information or materials to the extent that the same (i) is now in, or later enters, the public domain through no fault of Employee; (ii) was known to Employee prior to the disclosure by Truist Insurance and such knowledge can be supported by written documentation supplied by Employee; or (iii) was rightfully obtained by Employee after termination of Employee's employment from a third party in rightful possession of such information.

13. **Enforcement.** In the event of any breach or threatened breach of the nonsolicitation, noncompetition or confidentiality covenants by Employee, Truist Insurance shall be entitled to temporary, preliminary, or permanent injunctive relief, without bond, restraining such breach, and, if successful, costs and attorneys' fees relating to any such proceeding or any other legal action to enforce those sections of this Agreement, but nothing herein shall be construed as prohibiting Truist Insurance from pursuing other remedies available to it for such breach or threatened breach. Truist Insurance may disclose this Agreement to any person or entity who, at any time during or after Employee's employment with Truist Insurance employs or considers employing Employee.

Employee agrees that in the event Truist Insurance is successful in obtaining injunctive relief relating to Employee's breach of any provision of Section 9 hereof following the Date of Termination, in addition to any remedy at law or in equity, Employee shall (i) not be entitled to receive, if not already paid, the payments or benefits described in Sections 3(a)(i) and 3(a)(ii) hereof (other than any accrued and unpaid Total Salary and vacation days earned as of the Date of Termination), and (ii) return to Truist Insurance any and all payments previously made Truist Insurance or any of its affiliates pursuant to Sections 3(a)(i) and 3(a)(ii) within 15 days after written demand for such repayment is made to Employee by Truist Insurance; provided, that to the extent Employee is materially successful in challenging such injunctive relief, the provisions of this Section shall not apply and Truist Insurance shall reimburse Employee for any reasonable legal fees incurred in connection with such legal challenge. Any such request for reimbursement shall be made by submitting documentary evidence of such reasonable legal fees to Truist Insurance by the end of the calendar year in which such materially successful challenge occurs, and shall be paid by Truist Insurance within 60 days of the receipt of such documentary evidence.

14. **Employee Developments.**

(a) Employee's Obligations. If at any time during Employee's employment, Employee (either alone or with others) makes, conceives, discovers, reduces to practice or becomes possessed of any invention, modification, discovery, design, development, improvement, process, software program, work of authorship, documentation, formula, data, technique, know-how, secret or intellectual property right whatsoever or any interest therein (whether or not patentable or registerable under copyright or similar statutes or subject to similar protection) that relates to the business of Truist Insurance or any of the products or services being developed or sold by Truist Insurance or that may be used in relation to such development or sale (the “Developments”), such Developments and any benefits will immediately become the sole and absolute property of Truist Insurance and its assigns. Employee will promptly disclose to Truist Insurance each such Development, and hereby assigns any rights Employee may have or acquire in the Developments and benefits and/or rights resulting therefrom to Truist Insurance and its assigns without further compensation. Employee will further communicate, without cost or delay, and without publishing the same, all available information relating to such Developments to Truist Insurance.

(b) Excluded Developments. Notwithstanding the foregoing, this Agreement will not be construed to apply to, and will not create any assignment of, any Developments of Employee that Employee developed entirely on his own time without using Truist Insurance’s equipment, supplies, facility or trade secret information except for those inventions that relate to Truist Insurance’s business or actual or demonstrably anticipated research or development, or result from any work performed by Employee for Truist Insurance.

(c) Employee Execution of Necessary Documents. With respect to all Developments, Employee will, at the request and cost of Truist Insurance, execute and deliver any documents or instruments and will perform any acts as Truist Insurance may reasonably require to: (i) apply for, obtain and vest in the name of Truist Insurance alone (unless Truist Insurance otherwise directs) letters patent, copyrights or similar protection (the “Necessary Documents”) in any country throughout the world and when so obtained or vested to renew and restore the same; and (ii) defend any opposition proceedings in respect of such applications and any opposition proceedings or petitions or applications for revocation of such Necessary Documents.

(d) Appointment of Company as Attorney-in-Fact. If Truist Insurance is unable, after reasonable effort, to secure Employee’s signature on any Necessary Documents as a result of Employee’s physical or mental incapacity or for any other reason whatsoever, Employee hereby irrevocably designates and appoints Truist Insurance and its duly authorized officers and agents as Employee’s agent and attorney-in-fact, to act for and in Employee’s behalf to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of the Necessary Documents with the same legal force and effect as if executed by Employee.

(e) Existing Developments. Employee represents that the Developments, if any, identified on Schedule A attached hereto, comprise all the unpatented and uncopyrighted Developments that Employee has made or conceived prior to or otherwise not in connection with Employee’s employment by Truist Insurance, which Developments are excluded from this Agreement.

(f) Indemnification. Truist Insurance hereby agrees that it shall indemnify and hold harmless Employee to the fullest extent permitted by law from and against any and all liabilities, costs, claims and expenses, including all costs and expenses incurred in defense of litigation (including attorneys’ fees), arising out of the employment of Employee hereunder or while serving as a director, officer or employee of another entity at Truist Insurance’s request, except to the extent arising out of or based upon the gross negligence or willful misconduct of Employee or a breach of any of Employee’s agreements, covenants or warranties hereunder. Costs and expenses incurred by Employee in defense of such litigation (including attorneys’ fees) shall be paid by Truist Insurance in advance of the final disposition of such litigation upon receipt by Truist Insurance of (a) a written request for payment, (b) appropriate documentation evidencing the incurrence, amount and nature of the costs and expenses for which payment is being sought, and (c) an undertaking adequate under applicable law made by or on behalf of Employee to repay the amounts so paid if it shall ultimately be determined that Employee is not entitled to be indemnified by Truist Insurance under this Agreement, including but not limited to as a result of such exception. Any payments in accordance with the preceding sentence shall be made no later than 10 business days following the date on which Employee submits the claim for reimbursement, such submission to be made not later than 30 days after the incurrence of the cost or expense. Truist Insurance, on the one hand, and Employee, on the other hand, will consult in good faith with respect to the conduct of any such litigation, and Employee's counsel shall be selected with the consent of Truist Insurance. For the avoidance of doubt, Truist Insurance shall not pay, reimburse, or indemnify Employee from and against any liabilities, costs, claims and expenses of any nature relating to the negotiation, enforcement, or any dispute pertaining to the terms, of this Agreement. This Agreement shall not prevent Employee from having additional rights to indemnification from Truist Insurance or others under other agreements, documents or insurance policies.

15. **Notices.** Any notice, demand or communication required or permitted to be given by this Agreement or applicable law shall be made in writing and sent by either first class mail, overnight courier, hand delivery or facsimile; provided, however, unless waived by the recipient, if such notice is made by facsimile, such facsimile shall be followed within 24 hours by notice in writing sent by first class mail, overnight courier or hand delivery. Charges for any notice shall be prepaid and addressed as follows, or to such other address as such person to whom it is to be addressed may specify by notice to the other party: in the case of Employee, to his place of residence as currently shown on the records of Truist Insurance, or in the case of Truist Insurance, to Truist Bank, 214 North Tryon Street, Executive Floor, Charlotte, North Carolina 28202, Attention: Chief Executive Officer, Truist Bank. Any notice shall be deemed to be delivered, given and received for all purposes as of the date such notice was actually delivered to the recipient or, if sent by first-class mail, 5 days after the date on which the same was deposited in a receptacle regularly maintained by the United States Postal Service for the deposit of mail, whichever occurs first.

16. **Successors and Assigns.** The obligations of Employee under Sections 8, 9, 11 and 23 of this Agreement and the obligations of Truist Insurance under Section 3 of this Agreement shall continue after the termination of Employee's employment regardless of the reason for the termination or ending of Employee's employment with Truist Insurance and shall be binding on Employee's heirs, executors, legal representatives and assigns and on Truist Insurance's successors or assigns. Such obligations shall inure to the benefit of any successors or assigns of Truist Insurance. Employee specifically acknowledges that in the event of a sale of all or substantially all of the assets of Truist Insurance, or any other event or transaction resulting in a change of ownership or control of Truist Insurance's business, the rights and obligations of the parties hereunder shall inure to the benefit of any transferee, purchaser or future owner of Truist Insurance's business. This Agreement may be assigned only by Truist Insurance.

17. **Amendment: Waiver.** No change or modification of this Agreement shall be valid or binding unless in writing and signed by the party intended to be bound. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the party against whom the waiver is sought to be enforced. A valid waiver of any provision of this Agreement shall be limited to the instance specified in writing and, unless otherwise expressly stated, shall not be effective as a continuing waiver or repeal of such provision.

18. **Governing Law; Selection of Exclusive Venue.** The validity, performance, construction and effect of this Agreement shall be governed by the substantive laws of the Slate of North Carolina, without regard to the provisions for choice of law thereunder. Additionally, the parties agree that any action arising from or relating to the enforcement of this Agreement, including any challenge to the validity or enforcement hereof, shall be brought exclusively in the state court of Mecklenburg County, North Carolina or the United States District Court for the Middle District of North Carolina (the "Selected Courts"). Employee hereby consents to personal jurisdiction in North

Carolina and hereby waives any objection to the exercise of personal jurisdiction over Employee by any of the Selected Courts.

19. **Judicial Procedures.** The parties hereby expressly waive the right to trial by jury with respect to any judicial proceeding brought in connection with this Agreement except in Georgia, North Carolina, and California.

20. **Severability.** If any provision of this Agreement is deemed invalid or unenforceable, the validity of the other provisions of this Agreement shall not be impaired. If any provision of this Agreement shall be deemed invalid as to its scope, then, notwithstanding such invalidity, such provision shall be valid to the fullest extent permitted by law, and the parties agree that, if any court makes such a determination, such court shall have the power to modify the duration, scope and/or area of such provision and/or to delete specific words and phrases by "blue penciling" and, in its reduced or blue penciled form, to enforce such provision to the fullest extent permitted by law.

21. **Entire Agreement.** With respect to the terms addressed in this Agreement, this Agreement contains the entire agreement and understanding by and between Truist Insurance and Employee. This Agreement supersedes all prior undertakings and agreements, written or oral, as may have existed prior to this date with regard to the terms addressed in this Agreement. This includes but is not limited to Employee's December 15, 2015 Employment Agreement with BB&T Insurance Holdings, Inc. and Employee's Employment Agreement with Truist Insurance dated September 30, 2020, which agreements are superseded in their entirety and of no further force and effect. By the execution of this Agreement, Employee acknowledges that any such superseded understandings and agreements are terminated, and Employee disclaims any and all rights or interest that may have existed with respect thereto. Further, any representations, promises, agreements or understandings, written or oral, with regard to the terms addressed in this Agreement that are not contained in this Agreement shall be of no force or effect.

22. **Employee Claims.** The existence of any claim or cause of action by Employee against Truist Insurance shall not constitute a defense to the enforcement by Truist Insurance of Employee's covenants, obligations, or undertakings in this Agreement.

23. **Construction and Interpretation.** All references to the masculine shall include the feminine and neuter. Employee and Truist Insurance agree that this Agreement shall be construed as drafted by both of them, as parties of equivalent bargaining power, and not for or against either of them as drafter.

24. **No Conflicting Obligations.** Employee hereby acknowledges and represents that Employee's execution of this Agreement and performance of employment-related obligations and duties for Truist Insurance will not cause any breach, default, or violation of any other employment, non-disclosure, confidentiality, non-competition, or other agreement to which Employee may be a party or otherwise bound. Employee will not use in the performance of such employment-related obligations and duties for Truist Insurance or otherwise disclose to Truist Insurance any trade secrets or confidential information of any person or entity (including any former employer) if and to the extent that such use or disclosure may cause a breach or violation of any obligation or duty owed to such employer, person, or entity under any agreement or applicable law.

25. **Set-off.** Employee authorizes Truist Insurance to offset the amount of any advance not repaid by Employee (or any other amount(s) or debt(s) that Employee may owe to Truist Insurance or the value of any Truist Insurance property not returned to Truist Insurance) as against any amount of compensation other than nonqualified deferred compensation (within the meaning of Section 409A) permitted under applicable law owed to Employee under this Agreement or otherwise. In addition, Employee authorizes Truist Insurance to offset up to a total of $5,000 of the

amount of any advance not repaid by Employee (or any other amount(s) or debt(s) that Employee may owe to Truist Insurance or the value of any Truist Insurance property not returned to Truist Insurance) as against any amount of nonqualified deferred compensation (within the meaning of Section 409A) owed to Employee under this Agreement or otherwise; provided that the reduction is made at the same time and in the same amount as the debt would otherwise have been due and collected from Employee.

26. **Compliance with Section 409A.** To the extent applicable, the parties hereto intend that the payments under this Agreement comply with Section 409A or are exempt from Section 409A under the "short term deferral" exception to the maximum extent possible, and then under the "separation pay" exception to the maximum extent possible. The parties hereby agree that this Agreement shall be construed in a manner to be exempt from or comply with Section 409A and that should any provision subject to Section 409A be found not in compliance with Section 409A, the parties are hereby contractually obligated to execute any and all amendments to this Agreement deemed necessary and required by legal counsel for Truist Insurance to achieve compliance with Section 409A. By execution and delivery of this Agreement, Employee irrevocably waives any objections he may have to the amendments required by Section 409A. The parties also agree that in no event shall any payment required to be made pursuant to this Agreement that is paid on Separation from Service that is considered deferred compensation within the meaning of Section 409A be made to Employee unless he has incurred a Separation from Service. In the event Employee is a Specified Employee, payments that constitute deferred compensation within the meaning of Section 409A that are payable on Separation from Service shall be subject to the six- month delay as provided in Section 2. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments shall be treated as a right to a series of separate payments. To the extent that any payment under this Agreement is deferred compensation subject to Section 409A, in no event shall Employee, directly or indirectly, designate the calendar year of payment, except to the extent permitted under Section 409A. Truist Insurance shall not reimburse Employee for the amount of any tax liability incurred by Employee under Section 409A.

27. **Tax Reporting and Withholding.** Truist Insurance (and any agent of Truist Insurance) shall be authorized to report income and to withhold from any payment due under this Agreement the amount of withholding taxes due and to take such other action as may be necessary in the opinion of Truist Insurance to satisfy all obligations for the payment of such taxes. Neither Truist Insurance nor any delegate shall be held responsible for any taxes, penalties, interest, or other monetary amounts owed by Employee or any other person as a result of amounts subject to this Agreement.

28. **Assignment.** Employee shall not have the power or right to transfer, assign, anticipate, hypothecate, mortgage, commute, modify, or otherwise encumber, in advance, the Separation Compensation payable hereunder, nor shall any of such payments be subject to seizure for the payment of any debts, judgments, alimony, or separate maintenance owed by Employee, nor be transferable by operation of law in the event of bankruptcy, insolvency, or otherwise.

29. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

TRUIST INSURANCE HOLDINGS, INC.,
A subsidiary of Truist Bank

By: /s/ Tammy Stringer
Name: Tammy Stringer
Title: Executive Vice President, Secretary and General Counsel

EMPLOYEE

/s/ John Howard
JOHN HOWARD

SCHEDULE A

PRIOR DEVELOPMENTS BY EMPLOYEE

The following is a complete list of all unpatented and uncopyrighted Developments relevant to the subject matter of my employment by Truist Insurance that have been made or conceived by me prior to or otherwise not in connection with my employment by Truist Insurance. Employee understands that it is necessary only to list the title and purpose of such Developments, but not details thereof. (Please initial appropriate box.)

/s/JMH No inventions or improvements.

__ All such inventions are listed below:

Exhibit 31.1

CERTIFICATIONS

I, William H. Rogers Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Truist Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2023

/s/ William H. Rogers Jr.

William H. Rogers Jr.
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Michael B. Maguire, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Truist Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2023

/s/ Michael B. Maguire

Michael B. Maguire
Senior Executive Vice President and
Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Chief Executive Officer and Chief Financial Officer of Truist Financial Corporation (the "Company"), do hereby certify that:

1. The Quarterly Report on Form 10-Q for the fiscal period ended March 31, 2023 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2023

/s/ William H. Rogers Jr.
William H. Rogers Jr.
Chairman and Chief Executive Officer

/s/ Michael B. Maguire
Michael B. Maguire
Senior Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Truist Financial Corporation and will be retained by Truist Financial Corporation and furnished to the Securities and Exchange Commission or its staff upon request.