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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2020

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 1/1,000th interest in a share of Series F Non-Cumulative Perpetual Preferred Stock	TFC.PF	New York Stock Exchange
Depositary Shares each representing 1/1,000th interest in a share of Series G Non-Cumulative Perpetual Preferred Stock	TFC.PG	New York Stock Exchange
Depositary Shares each representing 1/1,000th interest in a share of Series H Non-Cumulative Perpetual Preferred Stock	TFC.PH	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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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, 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

At January 31, 2021, the Company had 1,347,198,511 shares of its common stock, $5 par value, outstanding. As of June 30, 2020, the aggregate market value of voting stock held by nonaffiliates of the Company was approximately $50.5 billion. Documents incorporated by reference: Portions of the definitive proxy statement relating to the registrant's 2021 annual meeting of stockholders are incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III.

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* For information regarding executive officers, refer to "Executive Officers" in Part I. The other information required by Item 10 is incorporated herein by reference to the information that appears under the headings "Nominees for Election as Directors for a One-Year Term Expiring in 2022," "Nominating and Governance Committee Director Nominations," "Ethics at Truist," "Corporate Governance Guidelines," "Audit Committee Report" and "Audit Committee" in the Registrant's Proxy Statement for the 2021 Annual Meeting of Shareholders.

The information required by Item 11 is incorporated herein by reference to the information that appears under the headings "Compensation Discussion and Analysis," "Compensation of Executive Officers," "Compensation and Human Capital Committee Report on Executive Compensation," "Compensation and Human Capital Committee Interlocks and Insider Participation" and "Compensation of Directors" in the Registrant's Proxy Statement for the 2021 Annual Meeting of Shareholders.

For information regarding the registrant's securities authorized for issuance under equity compensation plans, refer to "Equity Compensation Plan Information" in Part II herein. The other information required by Item 12 is incorporated herein by reference to the information that appears under the heading "Stock Ownership Information" in the Registrant's Proxy Statement for the 2021 Annual Meeting of Shareholders.

The information required by Item 13 is incorporated herein by reference to the information that appears under the headings "Director Independence" and "Related Person Transactions" in the Registrant's Proxy Statement for the 2021 Annual Meeting of Shareholders.

The information required by Item 14 is incorporated herein by reference to the information that appears under the headings "Fees to Independent Registered Public Accounting Firm" and "Audit Committee Pre-Approval Policy" in the Registrant's Proxy Statement for the 2021 Annual Meeting of Shareholders.

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
ALM	Asset/Liability management
ARRC	Alternative Reference Rates Committee of the FRB and the Federal Reserve Bank of New York
AOCI	Accumulated other comprehensive income (loss)
Basel III Rules	Rules issued by the FRB, OCC and FDIC on capital adequacy and liquidity requirements in the U.S for banking organizations.
BB&T	BB&T Corporation and subsidiaries (changed to "Truist Financial Corporation" effective with the Merger)
BCBS	Basel Committee on Banking Supervision
BHC	Bank holding company
BHCA	Bank Holding Company Act of 1956, as amended
Branch Bank	Branch Banking and Trust Company (changed to "Truist Bank" effective with the Merger)
BSA/AML	Bank Secrecy Act/Anti-Money Laundering
Board	Truist's Board of Directors
BU	Business Unit
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
CD	Certificate of deposit
CDI	Core deposit intangible
CECL	Current expected credit loss model
CEO	Chief Executive Officer
CFTC	Commodity Futures Trading Commission
CFO	Chief Financial Officer
CET1	Common equity tier 1
CIB	Corporate and Investment Banking
CFPB	Consumer Financial Protection Bureau
CMO	Collateralized mortgage obligation
Company	Truist Financial Corporation and its subsidiaries (interchangeable with "Truist" below), formerly BB&T Corporation
COVID-19	Coronavirus disease 2019
CRA	Community Reinvestment Act of 1977
CRE	Commercial real estate
CRO	Chief Risk Officer
DC	Disclosure Committee
DEI	Diversity, Equity & Inclusion
DIF	Deposit Insurance Fund administered by the FDIC
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DTA	Deferred tax asset
DTL	Deferred tax liability
EBPCC	Ethics, Business Practices, and Conduct Committee
ECRPMC	Enterprise Credit Risk and Portfolio Management Committee
EGRRCPA	Economic Growth, Regulatory Relief, and Consumer Protection Act
ERC	Enterprise Risk Committee
ERISA	Employee Retirement Income Security Act of 1974
EPS	Earnings per common share
EVE	Economic value of equity
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FHC	Financial holding company
FHLB	Federal Home Loan Bank

Term	Definition
FHLMC	Federal Home Loan Mortgage Corporation
FINRA	Financial Industry Regulatory Authority
FNMA	Federal National Mortgage Association
FRB	Board of Governors of the Federal Reserve System
FTE	Full-time equivalent employee
GAAP	Accounting principles generally accepted in the United States of America
GDP	Gross Domestic Product
GLBA	Gramm-Leach-Bliley Act
GNMA	Government National Mortgage Association
Grandbridge	Grandbridge Real Estate Capital, LLC
GSE	U.S. government-sponsored enterprise
HFI	Held for investment
HMDA	Home Mortgage Disclosure Act
HQLA	High-quality liquid assets
HTM	Held-to-maturity
IDI	Insured depository institution
IH	Insurance Holdings, an operating segment
IPV	Independent price verification
IRC	Internal Revenue Code
IRS	Internal Revenue Service
ISDA	International Swaps and Derivatives Association, Inc.
LCR	Liquidity Coverage Ratio
LHFS	Loans held for sale
LIBOR	London Interbank Offered Rate
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
MRLCC	Market Risk, Liquidity and Capital Committee
MRM	Model Risk Management
MSR	Mortgage servicing right
MSRB	Municipal Securities Rulemaking Board
NA	Not applicable
NCCOB	North Carolina Office of the Commissioner of Banks
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)
OFAC	U.S. Department of the Treasury's Office of Foreign Assets Control
OPEB	Other post-employment benefit
OREO	Other real estate owned
OT&C	Other, Treasury and Corporate
OTC	Over-the-counter
OTTI	Other than temporary impairment
Parent Company	Truist Financial Corporation, the parent company of Truist Bank and other subsidiaries
Patriot Act	Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001
PCD	Purchased credit deteriorated loans
PCI	Purchased credit impaired loans
Peer Group	Financial holding companies included in the industry peer group index
PPP	Paycheck Protection Program, established by the CARES Act
PSU	Performance share units

Term	Definition
Re-REMICs	Re-securitizations of Real Estate Mortgage Investment Conduits
RMO	Risk Management Organization
ROU assets	Right-of-use assets
RSA	Restricted stock award
RSU	Restricted stock unit
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
Short-Term Borrowings	Federal funds purchased, securities sold under repurchase agreements and other short-term borrowed funds with original maturities of less than one year
SOFR	Secured Overnight Financing Rate
SunTrust	SunTrust Banks, Inc.
Tailoring Rules	The final rules changing the applicability thresholds for regulatory capital and liquidity requirements, issued by the OCC, FRB, and FDIC, together with the final rules changing the applicability thresholds for enhanced prudential standards issues by the FRB
TDR	Troubled debt restructuring
TE	Taxable-equivalent
TMC	Technology Management Committee
TRS	Total Return Swap
Truist	Truist Financial Corporation and its subsidiaries (interchangeable with the "Company" above), formerly BB&T Corporation
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
UTB	Unrecognized tax benefit
VA	United States Department of the Veterans Affairs
VaR	Value-at-risk
VIE	Variable interest entity

Forward-Looking Statements

This Annual Report on Form 10-K 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 under Item 1A-Risk Factors:

- risks and uncertainties relating to the Merger of heritage BB&T and heritage SunTrust, including the ability to successfully integrate the companies or to realize the anticipated benefits of the Merger;
- expenses relating to the Merger and integration of heritage BB&T and heritage SunTrust;
- deposit attrition, client loss or revenue loss following completed mergers or acquisitions may be greater than anticipated;
- the COVID-19 pandemic has disrupted the global economy, adversely impacted Truist's financial condition and results of operations, including through increased expenses, reduced fee income and net interest margin and increases in the allowance for credit losses, and continuation of current conditions could worsen these impacts and also adversely affect Truist's capital and liquidity position or cost of capital, impair the ability of borrowers to repay outstanding loans, cause an outflow of deposits, and impair goodwill or other assets;
- Truist is subject to credit risk by lending or committing to lend money and 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;
- changes in the interest rate environment, including the replacement of LIBOR as an interest rate benchmark and potentially negative interest rates, which could adversely affect Truist's revenue and expenses, the value of assets and obligations, and the availability and cost of capital, cash flows, and liquidity;
- inability to access short-term funding or liquidity, loss of client deposits or changes in Truist's credit ratings, which could increase the cost of funding or limit access to capital markets;
- risk management oversight functions may not identify or address risks adequately, and management may not be able to effectively manage credit risk;
- risks resulting from the extensive use of models in Truist's business, which may impact decisions made by management and regulators;
- failure to execute on strategic or operational plans, including the ability to successfully complete or integrate mergers and acquisitions;
- increased competition, including from new or existing competitors that could have greater financial resources or be subject to different regulatory standards, for 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, which could damage Truist's reputation;
- increased scrutiny regarding Truist's consumer sales practices, training practices, incentive compensation design and governance;
- regulatory matters, litigation or other legal actions, which may result in, among other things, costs, fines, penalties, restrictions on Truist's business activities, reputational harm, negative publicity or other adverse consequences;
- evolving legislative, accounting and regulatory standards, including with respect to capital and liquidity requirements, and results of regulatory examinations, may adversely affect Truist's financial condition and results of operations;
- the monetary and fiscal policies of the federal government and its agencies could have a material adverse effect on profitability;
- 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;
- general economic or business conditions, either globally, nationally or regionally, may be less favorable than expected, and instability in global geopolitical matters 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;
- 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;
- 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 personnel, and if these individuals leave or change roles without effective replacements, Truist's operations and integration activities could be adversely impacted, which could be exacerbated as Truist continues to integrate the management teams of heritage BB&T and heritage SunTrust;
- 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, cyber attacks and identity theft, 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 could have an adverse effect on Truist's financial condition and results of operations, or 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. BUSINESS

Truist is a banking organization headquartered in Charlotte, North Carolina. Truist conducts its business operations primarily through its bank subsidiary, Truist Bank, and other nonbank subsidiaries.

Merger with SunTrust

The Company completed its Merger with SunTrust on December 6, 2019. Refer to "Note 2. Business Combinations" for additional details related to the Merger.

Operating Subsidiaries

Truist Bank, Truist's largest subsidiary, was chartered in 1872 and is the oldest bank headquartered in North Carolina. Truist Bank provides a wide range of banking and trust services for clients through 2,781 offices as of December 31, 2020 and its digital platform.

Services

Truist's subsidiaries offer commercial and consumer clients a full array of products and services to meet their financial needs.

Table 1: Services

Consumer Services:	Commercial Services:
Asset management	Asset based lending
Automobile lending	Asset management
Bankcard lending	Association services
Consumer finance	Capital markets services
Home equity lending	Commercial deposit and treasury services
Home mortgage lending	Commercial finance
Insurance	Commercial middle market lending
Investment brokerage services	Commercial mortgage lending
Mobile/online banking	Corporate banking
Payment solutions	Floor plan lending
Private equity investments	Governmental finance
Retail deposit services	Institutional trust services
Small business lending	Insurance
Student lending	Insurance premium finance
Wealth management/private banking	International banking services
	Investment banking services
	Leasing
	Merchant services
	Mortgage warehouse lending
	Treasury and payment solutions
	Private equity investments
	Real estate lending
	Supply chain financing

Market Area

The following table reflects Truist's deposit market share and branch locations by state:

Table 2: Deposit Market Share and Branch Locations by State

	% of Truist's Deposits (2)	Deposit Market Share Rank (2)	Number of Branches (3)
Florida	23 %	3rd	637
Georgia	16	1st	325
Virginia	15	2nd	406
North Carolina (1)	15	1st	371
Maryland	7	3rd	232
Tennessee	5	4th	145
Pennsylvania	5	8th	180
South Carolina	4	3rd	128
Texas	2	17th	103
West Virginia	2	1st	52
Kentucky	2	4th	73
Washington, D.C.	2	4th	28
Alabama	1	6th	70
New Jersey	1	19th	23
Other states	NA	NA	8

(1) Excludes home office deposits.
(2) Source: FDIC.gov data as of June 30, 2020.
(3) As of December 31, 2020.

Management believes that Truist's community bank approach to providing client service is a competitive advantage that strengthens the Company's ability to effectively provide financial products and services to businesses and individuals in its markets. In addition, management has made significant investments in recent years to develop its digital platform and believes that its mobile and online applications are highly competitive in meeting clients' expectations.

Competition

The financial services industry is intensely competitive and constantly evolving. Legislative, regulatory, economic, and technological changes as well as continued consolidation within the industry could result in competition from new and existing market participants. Truist's subsidiaries compete actively with national, regional and local financial services providers, including banks, thrifts, securities dealers, mortgage bankers, finance companies, financial technology companies and insurance companies. The ability of non-banking entities, including financial technology companies, to provide services previously limited to commercial banks has increased competition. Non-banking entities are not subject to the same regulatory framework as banks and BHCs, and therefore, can often operate with greater flexibility and lower costs. In addition, the ability to access and use technology is an increasingly significant competitive factor in the financial services industry. Having the right technology is a critically important component to client satisfaction because it affects the Company's ability to deliver the products and services that clients desire in a manner that they find convenient and attractive. Management believes that the Company is well positioned to compete and that its continued focus on touch and technology will engender trust among its current and future clients. For additional information concerning markets, Truist's competitive position and business strategies, see "Market Area" above and "General Business Development" in the discussion that follows.

General Business Development

Truist seeks to satisfy all of its clients' financial needs, enabling the Company to grow and diversify its sources of revenue and profitability. Truist's long-term strategy encompasses both organic and inorganic growth, including mergers or acquisitions of complimentary financial institutions or other businesses.

Merger and Acquisition Strategy

Truist's merger and acquisition strategy focuses on meeting the following criteria:

- the organization must be a good fit with Truist's culture;
- the merger or acquisition must be strategically attractive;
- associated risks must be identified and mitigation plans put in place, such that any residual risks fall within Truist's risk appetite; and
- the transaction must meet Truist's financial criteria.

Truist's growth in business, profitability and market share has historically been enhanced by strategic mergers and acquisitions. Truist will assess future opportunities, based on geography and market conditions and may, among other possibilities, pursue economically advantageous acquisitions of insurance agencies, certain lending businesses and fee income generating financial services businesses.

Regulatory Considerations

The regulatory framework applicable to banking organizations is intended primarily for the protection of depositors and the stability of the U.S. financial system, rather than for the protection of shareholders and creditors. In addition to banking laws and regulations, Truist is subject to various other laws and regulations, all of which directly or indirectly affect the operations and management of Truist and its ability to make distributions to shareholders. Truist and its subsidiaries are also subject to supervision and examination by multiple regulators.

Banking and other financial services statutes regulations and policies are continually under review by Congress, state legislatures, and federal and state regulatory agencies. In addition to laws and regulations, state and federal bank regulatory agencies may issue policy statements, interpretive letters and similar written guidance applicable to Truist and its subsidiaries. Any change in the statutes, regulations or regulatory policies applicable to Truist, including changes in their interpretation or implementation, could have a material effect on its business or organization.

The scope of the laws and regulations, and the intensity of the supervision to which Truist is subject have increased in recent years, initially in response to the financial crisis, and more recently in light of other factors such as technological and market changes. Regulatory enforcement and fines have also increased across the banking and financial services sector. Truist expects that its business will remain subject to extensive regulation and supervision.

The descriptions below summarize certain significant federal and state laws to which Truist is subject. The descriptions are qualified in their entirety by reference to the particular statutory or regulatory provisions summarized. They 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.

General

As a BHC, Truist is subject to regulation under the BHCA and to regulation, examination and supervision by the FRB. Truist Bank, a North Carolina state-chartered commercial bank that is not a member of the Federal Reserve System, is subject to regulation, supervision and examination by the NCCOB and the FDIC. Truist Bank and its affiliates are also subject to examination by the CFPB for compliance with most federal consumer financial protection laws.

Truist and certain of its subsidiaries and affiliates, including those that engage in derivatives transactions, securities underwriting, market making, brokerage, investment advisory and insurance activities, are subject to other federal and state laws and regulations, as well as supervision and examination by other federal and state regulatory agencies and other regulatory authorities, including the SEC, CFTC, FINRA and the NYSE. Truist Bank is also subject to additional state and federal laws, as well as various compliance regulations, that govern its activities, the investments it makes, and the aggregate amount of loans that may be granted to one borrower.

Examinations by Truist's regulators consider not only compliance with applicable laws, regulations and supervisory policies of the agency, but also capital levels, asset quality, risk management effectiveness, the ability and performance of management and the board of directors, the effectiveness of internal controls, earnings, liquidity and various other factors. Following those examinations, Truist and Truist Bank are assigned supervisory ratings. This supervisory framework, including the examination reports and supervisory ratings, which are considered confidential supervisory information, could materially impact the conduct, growth and profitability of Truist's operations.

Under the FRB's Large Financial Institution Rating System, component ratings are assigned for capital planning, liquidity risk management, and governance and controls. To be considered "well managed" under this rating system, a firm must be rated "broadly meets expectations" or "conditionally meets expectations" for each of its three component ratings.

The results of examinations by any of Truist's federal bank regulators potentially can result in the imposition of significant limitations on Truist's activities and growth. These regulatory agencies generally have broad enforcement authority and discretion to impose restrictions and limitations on the operations of a regulated entity, including the imposition of substantial monetary penalties and nonmonetary requirements against a regulated entity where the relevant agency determines that the operations of the regulated entity or any of its subsidiaries fail to comply with applicable law or regulations, are conducted in an unsafe or unsound manner, or represent an unfair or deceptive act or practice.

FHC Regulation

Truist has elected to be treated as a FHC, which allows it to engage in a broader range of activities than would otherwise be permissible for a BHC, including activities that are financial in nature or incidental thereto, such as securities underwriting or merchant banking. In order to maintain its status as a FHC, Truist and its affiliated IDI must be well-capitalized and well-managed and Truist Bank must have at least a satisfactory CRA rating. If the FRB determines that a FHC is not well-capitalized or well-managed, the FRB may impose corrective capital and managerial requirements on the FHC, and may place limitations on its ability to conduct certain business activities that FHCs are generally permitted to conduct and its ability to make certain acquisitions. If the failure to meet these standards persists, a FHC may be required to divest its IDI subsidiaries, or cease all activities other than those activities that may be conducted by BHCs that are not FHCs. Furthermore, if an IDI subsidiary of a FHC has not maintained a satisfactory CRA rating, the FHC would not be able to commence any new financial activities or acquire a company that engages in such activities, although the FHC would still be allowed to engage in activities closely related to banking and make investments in the ordinary course of conducting banking activities.

Enhanced Prudential Standards and Regulatory Tailoring Rules

Certain U.S. BHCs, including Truist, are subject to enhanced prudential standards. As such, Truist is subject to more stringent liquidity and capital requirements, leverage limits, stress testing, resolution planning and risk management standards than those applicable to smaller institutions. Certain larger banking organizations are subject to additional enhanced prudential standards. Truist became subject to the FRB's single-counterparty credit limit rule as of July 1, 2020, and is subject to a limit of 25% of Tier 1 capital for aggregate net credit exposures, including exposure resulting from, among other transactions, extensions of credit, repurchase and reverse repurchase transactions, investments in securities and derivative transactions, to any other unaffiliated counterparty.

Under the Tailoring Rules, Truist is subject to the standards applicable to Category III banking organizations, which generally include bank holding companies with greater than $250 billion, but less than $700 billion, in total consolidated assets and less than $75 billion in certain risk-related exposures.

Resolution Planning

As a Category III banking organization, Truist will be required to submit a resolution plan every three years, with the first resolution plan under the new rule to be submitted by September 29, 2021. Later resolution plans under this rule will alternate between full resolution plans and targeted resolution plans. The FRB and the FDIC must review and evaluate Truist's resolution plan. The FRB and FDIC are authorized to impose restrictions on growth and activities or operations if the agencies determine that a resolution plan is not credible or would not facilitate a rapid and orderly resolution of the company under the U.S. Bankruptcy Code, and could require the banking organization to divest assets or take other actions if it did not submit an acceptable resolution plan within two years after any such restrictions were imposed.

In addition, Truist Bank is required by an FDIC regulation to file a separate bank level resolution plan. In April 2019, the FDIC issued an advanced notice of proposed rulemaking that would modify the content and frequency of resolution planning requirements for systemically important IDIs. While this proposal did not include specific details regarding the content or frequency of future bank level resolution planning requirements, the FDIC indicated that the revised approach would establish tiered resolution planning requirements based on the size, complexity and other factors of applicable IDIs. On January 19, 2021 the FDIC lifted a moratorium from November 2018 that delayed the next round of submissions of resolution plans for IDIs until this rulemaking process has been completed. The FDIC has indicated that firms will not be required to submit a resolution plan without at least 12 months advance notice. As Truist Bank has not received any written notice regarding its next resolution plan submission it does not currently have an anticipated submission date for a resolution plan.

Capital Requirements

Truist and Truist Bank are subject to certain risk-based capital and leverage ratio requirements established by the FRB, for Truist, and by the FDIC, for Truist Bank. These requirements are based on the capital framework developed by the BCBS for strengthening the regulation, supervision and risk management of banks under Basel III rules, as well as certain provisions of the Dodd-Frank Act. These quantitative calculations are minimums, and the FRB and FDIC may determine that a banking organization, based on its size, complexity, or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner. Failure to be well capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on Truist's operations or financial condition. Failure to be well capitalized or to meet minimum capital requirements could also result in restrictions on Truist's or Truist Bank's ability to pay dividends or otherwise distribute capital or to receive regulatory approval of applications.

In October 2019, the federal banking regulators adopted rules that revised the criteria for determining the applicability of regulatory capital and liquidity requirements for large United States banking organizations, including Truist and Truist Bank, and that tailored the application of the FRB's enhanced prudential standards to large banking organizations. Under these rules, Truist and Truist Bank are subject to the standards applicable to "Category III" banking organizations.

Under the regulatory capital rules, Truist's and Truist Bank's assets, exposures, and certain off-balance sheet items are subject to risk weights used to determine the institutions' risk-weighted assets. These risk-weighted assets are used to calculate the following minimum capital ratios for Truist and Truist Bank:

- CET1 Risk-Based Capital Ratio, equal to the ratio of CET1 capital to risk-weighted assets. CET1 capital primarily includes common shareholders' equity subject to certain regulatory adjustments and deductions, including with respect to goodwill, intangible assets, certain deferred tax assets, and AOCI.
- Tier 1 Risk-Based Capital Ratio, equal to the ratio of Tier 1 capital to risk-weighted assets. Tier 1 capital is primarily comprised of CET1 capital, perpetual preferred stock and certain qualifying capital instruments.
- Total Risk-Based Capital Ratio, equal to the ratio of total capital, including CET1 capital, Tier 1 capital, and Tier 2 capital, to risk-weighted assets. Tier 2 capital primarily includes qualifying subordinated debt and qualifying ALLL. Tier 2 capital also includes, among other things, certain trust preferred securities.

In March 2020, the FRB adopted a final rule that integrates its annual capital planning and stress testing requirements with existing regulatory capital requirements. For risk-based capital requirements for certain large BHCs, including Truist, the SCB replaced the capital conservation buffer, which was required in order to avoid limitations on capital distributions, including dividends and repurchases of any Tier 1 capital instrument, such as common and qualifying preferred stock, and certain discretionary incentive compensation payments. The capital conservation buffer was 2.5% through September 30, 2020. Beginning in the 2020 CCAR cycle, the FRB will notify Truist of its SCB requirements, which is equal to the greater of (i) the difference between its starting and minimum projected CET1 capital ratios under the severely adverse scenario in the supervisory stress test, plus the sum of the dollar amount of Truist's planned common stock dividends for each of the fourth through seventh quarters of the planning horizon as a percentage of risk-weighted assets, or (ii) 2.5%. The FRB assigned Truist an SCB of 2.7%, which is effective from October 1, 2020 through September 30, 2021. Although the final rule continues to require that the firm describe its planned capital distributions in its CCAR capital plan, Truist is no longer required to seek prior approval if it makes capital distributions in excess of those included in its CCAR capital plan. Instead, Truist is subject to automatic distribution limitations if its capital ratios fall below its buffer requirements, which include the SCB.

For certain large banking organizations, the SCB could be supplemented by a countercyclical capital buffer of up to an additional 2.5% of risk-weighted assets. This buffer is currently set at zero. An FRB policy statement establishes the framework and factors the FRB would use in setting and adjusting the amount of the countercyclical capital buffer. Covered banking organizations would generally have 12 months after the announcement of any increase in the countercyclical capital buffer to meet the increased buffer requirement, unless the FRB determines to establish an earlier effective date. If the full countercyclical buffer amount is implemented, Truist would be required to maintain a CET1 capital ratio of at least 9.7%, a Tier 1 capital ratio of at least 11.2%, and a Total capital ratio of at least 13.2%, and Truist Bank would be required to maintain a CET1 capital ratio of at least 9.5%, a Tier 1 capital ratio of at least 11%, and a Total capital ratio of at least 13%, to avoid limitations on capital distributions and certain discretionary incentive compensation payments.

Certain large banking organizations with trading assets and liabilities above certain thresholds, including Truist, are subject to the Market Risk Rule and must adjust their risk-based capital ratios to reflect the market risk of their trading activities. Refer to the "Market Risk" section of the MD&A for additional disclosures related to market risk management.

In addition, Truist and Truist Bank are subject to a Tier 1 leverage ratio, equal to the ratio of Tier 1 capital to quarterly average assets, net of goodwill, certain other intangible assets, and certain other deductions. Category III banking organizations are also subject to a minimum 3.0% supplementary leverage ratio. The supplementary leverage ratio is calculated by dividing Tier 1 capital by total leverage exposure, which takes into account on-balance sheet assets as well as certain off-balance sheet items, including loan commitments and potential future exposure of derivative contracts.

In response to the COVID-19 pandemic, the FRB adopted an interim final rule that temporarily changes the supplementary leverage ratio to exclude U.S. Treasury securities and deposits at Federal Reserve Banks from the calculation of a firm's leverage exposure. The interim final rule applies to BHCs. The interim final rule became effective April 1, 2020 and will remain in effect through March 31, 2021. While a similar rule providing relief to IDIs was issued, Truist Bank has elected not to take advantage of this provision for Truist Bank.

The total minimum regulatory capital ratios and well-capitalized minimum ratios applicable to Category III banking organizations are reflected in the table below. The FRB has not yet revised the well-capitalized standard for BHCs to reflect the higher capital requirements imposed under the Basel III Rules. For purposes of certain FRB rules, including determining whether a BHC meets the requirements to be a FHC, BHCs, such as Truist, must maintain a Tier 1 Risk-Based Capital Ratio of 6.0% or greater and a Total Risk-Based Capital Ratio of 10.0% or greater. The FRB may require BHCs, including Truist, to maintain capital ratios substantially in excess of mandated minimum levels, depending upon general economic conditions and a BHC's particular condition, risk profile, and growth plans.

The following table presents the minimum regulatory capital ratios, well-capitalized minimums, and minimum ratio plus the SCB or capital conservation buffer, as applicable:

Table 3: Capital Requirements Under Basel III Rules

	Minimum Capital	Well Capitalized (1)	Minimum Capital Plus Applicable Buffer (2)
CET1 risk-based capital ratio:			
Truist	4.5 %	NA	7.2 %
Truist Bank	4.5	6.5 %	7.0
Tier 1 risk-based capital ratio:			
Truist	6.0	6.0	8.7
Truist Bank	6.0	8.0	8.5
Total risk-based capital ratio:			
Truist	8.0	10.0	10.7
Truist Bank	8.0	10.0	10.5
Leverage ratio:			
Truist	4.0	NA	NA
Truist Bank	4.0	5.0	NA
Supplementary leverage ratio:			
Truist	3.0	NA	NA
Truist Bank	3.0	NA	NA

(1) Reflects the well-capitalized standard applicable to Truist under FRB regulations and the well-capitalized standard applicable to Truist Bank.
(2) Reflects a SCB of 270 basis points for Truist and a capital conservation buffer of 250 basis points for Truist Bank.

In 2020, the U.S. banking agencies adopted a final rule that permits banking organizations that implement CECL before the end of 2020 to elect to follow the three-year transition available under the prior rule or a new five-year transition to phase in the effects of CECL on regulatory capital. Under the five-year transition, the banking organization would defer for two years 100% of the day-one effect of adopting CECL and 25% of the cumulative increase in the allowance for credit losses since adoption of CECL. Following the first two years, the electing organization will phase out the aggregate capital effects over the next three years consistent with the transition in the original three-year transition rule. Truist has elected to use the five-year transition to phase in the impacts of CECL on regulatory capital.

The U.S. banking agencies have adopted a final rule altering the definition of eligible retained income. Under the final rule, eligible retained income is the greater of a firm's (i) net income for the four preceding calendar quarters, net of any distributions and associated tax effects not already reflected in net income, and (ii) average net income over the preceding four quarters. This definition applies with respect to all of Truist's capital requirements.

Capital Planning and Stress Testing Requirements

In addition to the regulatory capital requirements, under the FRB's CCAR process, Truist must submit an annual capital plan to the FRB that reflects its projected financial performance under hypothetical macro-economic scenarios, including a supervisory severely adverse scenario provided by the FRB.

The FRB's CCAR framework and the Dodd-Frank Act stress testing framework also require BHCs subject to Category III standards, such as Truist, to conduct company-run stress tests and subject them to supervisory stress tests conducted by the FRB. The company-run stress tests employ stress scenarios provided by the FRB and incorporate the Dodd-Frank Act capital actions, which are intended to normalize capital distribution assumptions across large U.S. BHCs. In addition, Truist is required to conduct annual stress tests using internally-developed scenarios intended to stress the unique risk profile of the institution. The FRB also conducts CCAR and Dodd-Frank Act supervisory stress tests employing internal supervisory models on the supervisory stress scenarios. As a Category III banking organization, Truist is subject to supervisory stress testing on an annual basis and company-run stress testing on a biennial basis.

Starting in the third quarter of 2020, following the release of its annual stress testing and due to the ongoing economic uncertainty resulting from the COVID-19 pandemic, the FRB required certain large banking organizations, including Truist, to suspend share repurchases, cap common dividends per share to the amount paid in the second quarter, and further limit dividends according to a formula based on recent income. The FRB also required all large banks to resubmit and update their capital plans based on instructions and scenarios provided by the FRB. In December 2020, following a second round of stress testing based on the required capital plan resubmissions, the FRB modified these restrictions for the first quarter of 2021 to permit share repurchases and dividends according to a formula based on the average of the firm's net income for the four preceding calendar quarters. The FRB has not yet announced whether they intend to return to the SCB framework for purposes of capital distributions beginning in second quarter of 2021.

Truist is required to submit its next capital plan and the results of its own stress tests to the FRB by April 5, 2021. The FRB is required to announce the results of its supervisory stress tests by June 30, 2021.

In addition to the CCAR stress testing for Truist, Truist Bank conducts annual company-run stress tests.

Liquidity Requirements

Certain BHCs and their bank subsidiaries, including Truist and Truist Bank, are subject to a minimum LCR. The LCR is designed to ensure that BHCs have sufficient high-quality liquid assets to survive a significant liquidity stress event lasting for 30 calendar days.

Truist also is subject to FRB rules that require certain large BHCs to conduct internal liquidity stress tests over a range of time horizons, maintain a buffer of highly liquid assets sufficient to meet projected net outflows under the BHC's 30-day liquidity stress test, and maintain a contingency funding plan that meets certain requirements.

Effective July 2021, Truist will be subject to final rules implementing the NSFR, which is designed to ensure that banking organizations maintain a stable, long-term funding profile in relation to their asset composition and off-balance sheet activities. The NSFR, calculated as the ratio of available stable funding to required stable funding, must exceed 1.0x. Available stable funding represents a weighted measure of a company's funding sources over a one-year time horizon, calculated by applying standardized weightings to the company's equity and liabilities based on their expected stability. Required Stable Funding is calculated by applying standardized weightings to assets, derivatives exposures and certain other items based on their liquidity characteristics. As a Category III banking organization, Truist and Truist Bank are subject to an NSFR requirement equal to 85% of the full requirement.

Payment of Dividends

The Parent Company is a legal entity separate and distinct from its subsidiaries, and it depends in part upon dividends received from its direct and indirect subsidiaries, including Truist Bank, to fund its activities, including its ability to make capital distributions, such as paying dividends or repurchasing shares. Under federal law, there are various limitations on the extent to which Truist Bank can declare and pay dividends to the Parent Company, including those related to regulatory capital requirements, general regulatory oversight to prevent unsafe or unsound practices, and federal banking law requirements concerning the payment of dividends out of net profits, surplus, and available earnings. Certain contractual restrictions also may limit the ability of Truist Bank to pay dividends to the Parent Company. No assurances can be given that Truist Bank will, in any circumstances, pay dividends to the Parent Company.

The Parent Company's ability to declare and pay dividends is similarly limited by federal banking law and FRB regulations and policy. The FRB has authority to prohibit BHCs from making capital distributions if they would be deemed to be an unsafe or unsound practice. The FRB has indicated generally that it may be an unsafe or unsound practice for BHCs to pay dividends unless a BHC's net income is sufficient to fund the dividends and the expected rate of earnings retention is consistent with the organization's capital needs, asset quality and overall financial condition. In addition, the Parent Company's ability to make capital distributions, including paying dividends and repurchasing capital securities, is subject to the FRB's automatic restrictions on capital distributions under the FRB's capital rules. Truist's risk-based capital and leverage ratio requirements are discussed below in the "U.S. Basel III Capital Rules" section.

North Carolina law provides that, as long as a bank does not make distributions that reduce its capital below its applicable required capital, the board of directors of a bank chartered under the laws of North Carolina may declare such distributions as the directors deem proper.

For additional information regarding limitations on dividends resulting from the 2020 CCAR process, refer to "Capital Planning and Stress Testing Requirements" above.

Prompt Corrective Action

The federal banking agencies are required to take "prompt corrective action" with respect to financial institutions that do not meet minimum capital requirements. The law establishes five categories for this purpose: "well-capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." To be considered "well-capitalized," an IDI must maintain minimum capital ratios and must not be subject to any order or written directive to meet and maintain a specific capital level for any capital measure. An institution that fails to remain well-capitalized becomes subject to a series of restrictions that increase in severity as its capital condition weakens. Such restrictions may include a prohibition on capital distributions, restrictions on asset growth or restrictions on the ability to receive regulatory approval of applications. The regulations apply only to banks and not to BHCs. However, the FRB is authorized to take appropriate action at the holding company level, based on the undercapitalized status of the holding company's subsidiary banking institutions. In certain instances relating to an undercapitalized banking institution, the BHC would be required to guarantee the performance of the undercapitalized subsidiary's capital restoration plan and could be liable for civil money damages for failure to fulfill those guarantee commitments.

In addition, failure to meet capital requirements may cause an institution to be directed to raise additional capital. Federal law further mandates that the agencies adopt safety and soundness standards generally relating to operations and management, asset quality and executive compensation, and authorizes administrative action against an institution that fails to meet such standards. Failure to meet capital guidelines may subject a banking organization to a variety of other enforcement remedies, including additional substantial restrictions on its operations and activities, termination of deposit insurance by the FDIC and, under certain conditions, the appointment of a conservator or receiver.

Transactions with Affiliates

There are various legal restrictions on the extent to which Truist and its non-bank subsidiaries may borrow or otherwise engage in certain types of transactions with Truist Bank. Under the Federal Reserve Act and FRB regulations, Truist Bank and its subsidiaries are subject to quantitative and qualitative limits on extensions of credit, purchases of assets, and certain other transactions involving its non-bank affiliates. In addition, transactions between Truist Bank and its non-bank affiliates are required to be on arm's length terms and must be consistent with standards of safety and soundness.

Acquisitions

Truist is subject to numerous laws that may require regulatory approval for acquisitions. For example, under the BHCA, a BHC may not directly or indirectly acquire ownership or control of more than 5% of the voting shares or substantially all of the assets of any BHC or bank or merge or consolidate with another BHC without the prior approval of the FRB. The BHCA and other federal laws enumerate the factors the FRB must consider when reviewing the merger of BHCs, the acquisition of banks or the acquisition of voting securities of a bank or BHC. These factors include the competitive effects of the proposal in the relevant geographic markets; the financial and managerial resources and future prospects of the companies and banks involved in the transaction; the effect of the transaction on the financial stability of the United States; the organizations' compliance with anti-money laundering laws and regulations; the convenience and needs of the communities to be served; and the records of performance under the CRA of the IDIs involved in the transaction.

Federal law authorizes interstate acquisitions of banks and BHCs without geographic limitation, and a bank headquartered in one state is authorized to merge with a bank headquartered in another state, subject to market share limitations, regulatory approvals and any state requirement that the target bank shall have been in existence and operating for a minimum period of time. The market share limitations impose conditions that the acquiring BHC, after and as a result of the acquisition, control no more than 10% of the total amount of deposits of IDIs in the U.S. and no more than 30%, or such lesser or greater percentage established by state law, of such deposits in applicable states. FRB rules also prohibit a FHC from combining with another company if the ratio of the resulting company's liabilities exceeds 10% of the aggregate consolidated liabilities of all financial companies.

After a bank has established branches in a state through an interstate merger transaction, the bank may establish and acquire additional branches at any location in the state where a bank headquartered in that state could have established or acquired branches under applicable federal or state law. These regulatory considerations are applicable to privately negotiated acquisition transactions.

Other Safety and Soundness Regulations

The FRB has supervisory and enforcement powers over BHCs and their nonbanking subsidiaries. The FRB has authority to prohibit activities that represent unsafe or unsound practices or constitute violations of law, rule, regulation, administrative order or written agreement with a federal regulator. These powers may be exercised through the issuance of confidential supervisory actions, cease and desist orders, civil monetary penalties or other actions.

There also are a number of obligations and restrictions imposed on BHCs and their IDI subsidiaries by federal law and regulatory policy that are designed to reduce potential loss exposure to depositors and the DIF in the event the IDI is insolvent or is in danger of becoming insolvent. For example, the FRB requires a BHC to serve as a source of financial strength to its subsidiary IDIs and to commit financial resources to support such institutions in circumstances where it might not do so otherwise.

Banking regulators also have broad supervisory and enforcement powers over Truist Bank, including the power to impose confidential supervisory actions, fines and other civil and criminal penalties, and to appoint a receiver in order to conserve the assets of Truist Bank for the benefit of depositors and other creditors. The NCCOB also has the authority to take possession of a North Carolina state bank in certain circumstances, including when it appears that such bank has violated its charter or any applicable laws, is conducting its business in an unauthorized or unsafe manner, is in an unsafe or unsound condition to transact its business or has an impairment of its capital stock.

DIF Assessments

Truist Bank's deposits are insured by the FDIC up to the applicable limits, which is currently $250,000 per account ownership type. The FDIC imposes a risk-based deposit premium assessment system that determines assessment rates for an IDI based on an assessment rate calculator, which is based on a number of elements to measure the risk each IDI poses to the DIF. The assessment rate is applied to total average assets less tangible equity, as defined under the Dodd-Frank Act. The assessment rate schedule can change from time to time at the discretion of the FDIC, subject to certain limits. Under the current system, premiums are assessed quarterly.

As of June 30, 2020, the DIF reserve ratio fell to 1.30% due to significant growth in industry deposits during the first half of 2020. The FDIC, as required under the Federal Deposit Insurance Act, established a plan on September 15, 2020, to restore the DIF reserve ratio to meet or exceed 1.35% within eight years. The FDIC's restoration plan projects the reserve ratio to exceed 1.35% without increasing the deposit insurance assessment rate, subject to ongoing monitoring over the next eight years. The FDIC could increase the deposit insurance assessments for certain insured depository institutions, including Truist Bank, if the DIF reserve ratio is not restored as projected.

Consumer Protection Laws and Regulations

In connection with its lending and leasing activities, Truist Bank is subject to a number of federal and state laws designed to protect borrowers and promote lending to various sectors of the economy and population. The CFPB examines Truist and Truist Bank for compliance with a broad range of federal consumer financial laws and regulations, including the laws and regulations that relate to deposit products, credit card, mortgage, automobile, student and other consumer loans, and other consumer financial products and services offered. The federal consumer financial protection laws that are subject to the CFPB's supervision and enforcement powers include, among others, the Truth in Lending Act, Truth in Savings Act, HMDA, Fair Credit Reporting Act, Electronic Funds Transfer Act, Real Estate Settlement Procedures Act, Fair Debt Collections Practices Act, Equal Credit Opportunity Act and Fair Housing Act. The CFPB also has authority to take enforcement actions to prevent and remedy acts and practices relating to consumer financial products and services that it deems to be unfair, deceptive or abusive, and to impose new disclosure requirements for any consumer financial product or service.

The CFPB may issue regulations that impact products and services offered by Truist or Truist Bank. The regulations could reduce the fees that Truist receives, alter the way Truist provides its products and services, or expose Truist to greater risk of private litigation or regulatory enforcement action.

During November 2019, SunTrust Bank entered into a consent order with the FRB, relating to certain identified legacy compliance issues, and providing certain remediation actions and the verification of such actions regarding the identified issues. Truist Bank, as successor to SunTrust Bank, has committed to comply with the obligations in the order. Compliance with the order's obligations is currently being assessed by the FDIC.

Patriot Act

The Patriot Act is intended to strengthen the ability of U.S. law enforcement agencies and intelligence communities to cooperate in the prevention, detection and prosecution of international money laundering and the financing of terrorism. The Patriot Act contains anti-money laundering measures affecting IDIs, broker-dealers and certain other financial institutions. The Patriot Act includes the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, which requires such financial institutions to implement policies and procedures to combat money laundering and the financing of terrorism and grants the Secretary of the U.S. Treasury broad authority to establish regulations and to impose requirements and restrictions on financial institutions' operations. The Patriot Act imposes substantial obligations on financial institutions to maintain appropriate policies, procedures and processes to detect, prevent and report money laundering, terrorist financing and other financial crimes. Failure to comply with these regulations may result in fines, penalties, lawsuits, regulatory sanctions, reputation damage, or restrictions on business. In addition, the Patriot Act requires the federal bank regulatory agencies to consider the effectiveness of a financial institution's anti-money laundering activities when reviewing bank mergers and BHC acquisitions.

BSA/AML and Sanctions

Truist is subject to a number of anti-money laundering laws and regulations as a result of being a financial company headquartered in the United States. AML requirements are primarily derived from the Bank Secrecy Act, as amended by the Patriot Act. These laws and regulations are designed to prevent the financial system from being used by criminals to hide illicit proceeds and to impede terrorists' ability to access and move funds used in support of terrorist activities. Among other things, BSA/AML laws and regulations require financial institutions to establish AML programs that meet certain standards, including, in some instances, expanded reporting, particularly in the area of suspicious transactions, and enhanced information gathering and recordkeeping requirements. Financial institutions are also required to verify their customers' identity, verify the identity of beneficial owners of legal entity customers, conduct customer due diligence, report on suspicious activity, file reports of transactions in currency, and conduct enhanced due diligence on certain accounts. Failure to comply with applicable laws and regulations or maintain adequate AML related controls can lead to significant monetary penalties and reputational damage.

The U.S. Treasury's OFAC rules prohibit U.S. persons from engaging in financial transactions with certain individuals, entities, or countries, identified as "Specially Designated Nationals," such as terrorists and narcotics traffickers. These rules require the blocking of assets held by, and prohibit transfers of property to such individuals, entities or countries. Blocked assets, such as property or bank deposits, cannot be paid out, withdrawn, set off or transferred in any manner without a license from OFAC. Truist maintains an OFAC program designed to ensure compliance with OFAC requirements. Failure to comply with such requirements could subject Truist to serious legal and reputational consequences, including criminal penalties.

On January 1, 2021, the U.S. Congress enacted the Anti-Money Laundering Act of 2020, which seeks to modernize the anti-money laundering and countering the financing of terrorism framework in the United States, by enhancing analytical capabilities of and improving coordination among law enforcement agencies. The act also seeks to streamline the currency transaction report and suspicious activity report requirements of the Bank Secrecy Act. The act directs the Financial Crimes Enforcement Network, a bureau of the U.S. Treasury, to establish a national beneficial ownership reporting framework that requires non-exempt U.S. companies and companies doing business in the U.S. to disclose information about their beneficial ownership at the time of incorporation and subsequently when changes occur. In addition to being available to law enforcement, information maintained in the database would be available to financial institutions in support of their customer due diligence requirements. The act will be implemented through various regulations, reports, and assessments by the various financial regulators, which have not yet been proposed. The impact of such regulations on Truist will depend on the final requirements.

Privacy and Cyber Security

The FRB, FDIC and other bank regulatory agencies have adopted guidelines for safeguarding confidential, personal customer information. These guidelines require each financial institution, under the supervision and ongoing oversight of its board of directors or an appropriate committee thereof, to create, implement and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer information, protect against any anticipated threats or hazards to the security or integrity of such information and protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. In addition, various U.S. regulators, including the FRB and the SEC, have increased their focus on cyber security through guidance, examinations and regulations.

The GLBA requires financial institutions to implement policies and procedures regarding the disclosure of nonpublic personal information about consumers to non-affiliated third parties. In general, the statute requires explanations to consumers on policies and procedures regarding the disclosure of such nonpublic personal information and, except as otherwise required by law, prohibits disclosing such information except as provided in the banking subsidiary's policies and procedures.

States are also increasingly proposing or enacting legislation that relates to data privacy and data protection such as the California Consumer Privacy Act which went into effect on January 1, 2020. Truist has undertaken significant efforts to comply with these laws and continues to assess their requirements and applicability to Truist. These laws and proposed legislation are still subject to revision or formal guidance and they may be interpreted or applied in a manner inconsistent with the Company's understanding. California voters also recently passed the California Privacy Rights Act, which will take effect on January 1, 2023, and significantly modifies the California Consumer Privacy Act, including by imposing additional obligations on covered companies and expanding California consumers' rights with respect to certain sensitive personal information, potentially resulting in further uncertainty and requiring Truist to incur additional costs and expenses in an effort to comply.

In addition, the promulgation in 2017 of the New York Department of Financial Services Cybersecurity Regulation and the National Association of Insurance Commissioners Insurance Data Security Model Law are driving significant cybersecurity compliance activities for Truist. Both of these regulations include phased compliance periods as well as attestation of compliance by Truist.

Like other lenders, Truist Bank uses credit bureau data in its underwriting activities. The Fair Credit Reporting Act regulates reporting information to credit bureaus, prescreening individuals for credit offers, sharing of information between affiliates, and using affiliate data for marketing purposes. Similar state laws may impose additional requirements on Truist Bank.

In addition, in December 2020, the FRB, OCC and FDIC issued a notice of proposed rulemaking that, among other things, would require a banking organization to notify its primary federal regulators within 36 hours after identifying a "computer-security incident" that the banking organization believes in good faith could materially disrupt, degrade or impair its business or operations in a manner that would, among other things, jeopardize the viability of its operations, result in customers being unable to access their deposit and other accounts, result in a material loss of revenue, profit or franchise value, or pose a threat to the financial stability of the U.S.

CRA

The CRA requires Truist Bank's primary federal bank regulatory agency, the FDIC, to assess the bank's record in meeting the credit needs of the communities served by the bank, including low- and moderate-income neighborhoods and persons. Institutions are assigned one of four ratings: "Outstanding," "Satisfactory," "Needs to Improve" or "Substantial Noncompliance." This assessment is considered for any bank that applies to merge or consolidate with or acquire the assets or assume the liabilities of an IDI, or to open or relocate a branch office. The CRA record of each subsidiary bank of a FHC also is assessed by the FRB in connection with reviewing any proposed acquisition or merger application.

Automated Overdraft Payment Regulation

There are federal consumer protection laws related to automated overdraft payment programs offered by financial institutions. The CFPB prohibits financial institutions from charging consumers fees for paying overdrafts on automated teller machine and one-time debit card transactions, unless a consumer consents, or opts in, to the overdraft service. Financial institutions must also provide consumers with a notice that explains the financial institution's overdraft services, including the associated fees and the consumer's choices. In addition, FDIC-supervised institutions must monitor overdraft payment programs for "excessive or chronic" client use and undertake "meaningful and effective" follow-up action with clients that overdraw their accounts more than six times during a rolling 12-month period. Financial institutions must also impose daily limits on overdraft charges, review and modify check-clearing procedures, prominently distinguish account balances from available overdraft coverage amounts and ensure board and management oversight regarding overdraft payment programs.

Volcker Rule

Truist is prohibited under the Volcker Rule from (i) engaging in proprietary trading activities, and (ii) having certain ownership interests in and relationships with covered private funds. The fundamental prohibitions of the Volcker Rule apply to banking entities of any size, including Truist and its affiliates. The Volcker Rule regulations contain exemptions or exclusions for market-making, hedging, underwriting, trading in U.S. government and agency obligations and also permit certain ownership interests in certain types of funds to be retained. They also permit the offering and sponsoring of funds under certain conditions. The Volcker Rule regulations impose significant compliance obligations on banking entities. Truist has put in place the compliance programs required by the Volcker Rule and has either divested or received extensions for any holdings in illiquid funds.

In June 2020, the regulatory agencies charged with implementing the Volcker Rule finalized amendments to the Volcker Rule's restrictions on ownership interests in and relationships with covered funds. Among other things, these amendments permit banking entities to have relationships with and offer additional financial services to additional types of funds and investment vehicles. These requirements are not expected to have a material impact on Truist's consolidated financial position, results of operations or cash flows.

Regulatory Regime for Swaps

The Dodd-Frank Act established a comprehensive regulatory regime for the OTC swaps market, aimed at increasing transparency and reducing systemic risk in the derivatives markets, including requirements for central clearing, exchange trading, capital adequacy, margin, reporting, and recordkeeping. The Dodd-Frank Act requires that certain swap dealers and security-based swap dealers register with one or both of the SEC and CFTC, depending on the nature of the swaps business. Truist Bank provisionally registered with the CFTC as a swap dealer, subjecting Truist Bank to requirements under the CFTC's regulatory regime, including trade reporting and record keeping requirements, margin requirements, business conduct requirements (including daily valuations, disclosure of material risks associated with swaps and disclosure of material incentives and conflicts of interest), and mandatory clearing and exchange trading requirements for certain standardized swaps designated by the CFTC. Truist Bank expects to register with the SEC as a security-based swap dealer in 2021. Such registration will subject Truist Bank's security-based swaps business to requirements that are similar to the CFTC rules applicable to swap dealers, including trade reporting, business conduct standards, recordkeeping, margin, and potentially mandatory clearing and exchange trading requirements.

Truist Bank's uncleared swaps and security-based swaps are subject to variation margin and initial margin requirements. The variation margin requirements are currently in effect and the initial margin requirements are phasing in over a period of six years and will be fully phased-in on September 1, 2022, depending on the level of derivatives activity of the swap dealer and the relevant counterparty. Truist Bank's derivatives business involving uncleared swaps is expected to become subject to initial margin requirements established by the U.S. prudential regulators, which may subject Truist Bank to initial margin requirements that exceed current market practice.

Broker-Dealer and Investment Adviser Regulation

Truist's broker-dealer and investment adviser subsidiaries are subject to regulation by the SEC. FINRA is the primary self-regulatory organization for Truist's registered broker-dealer and investment adviser subsidiaries. Truist's broker-dealer and investment adviser subsidiaries also are subject to additional regulation by states or local jurisdictions. The SEC and FINRA have active enforcement functions that oversee broker-dealers and investment advisers and can bring actions that result in fines, restitution, a limitation on permitted activities, disqualification to continue to conduct certain activities and an inability to rely on certain favorable exemptions. Certain types of infractions and violations also can affect Truist's ability to expeditiously issue new securities into the capital markets. In addition, certain changes in the activities of a broker-dealer require approval from FINRA, and FINRA takes into account a variety of considerations in acting upon applications for such approval, including internal controls, capital levels, management experience and quality, prior enforcement and disciplinary history and supervisory concerns.

In June 2019, the SEC finalized Regulation Best Interest, which imposes a new standard of conduct on SEC-registered broker-dealers when making recommendations to retail customers. In addition, the SEC finalized a new summary disclosure form that broker-dealers and investment advisers must provide to retail customers. Truist's broker-dealer and investment adviser subsidiaries were required to comply with these requirements, as applicable, as of June 2020.

FDIC Recordkeeping Requirements

To facilitate prompt payment of FDIC-insured deposits when large IDIs fail, FDIC rules require IDIs with two million or more deposit accounts to maintain complete and accurate data on each depositor's ownership interest by right and capacity and to develop the capability to calculate the insured and uninsured amounts for each deposit owner by ownership right and capacity. Compliance with the rule was originally required by April 1, 2020. In July 2019, the FDIC amended the rules related to recordkeeping requirements and timely deposit insurance determination to allow covered IDIs an optional one-year extension, which Truist elected, of the original compliance deadline to April 1, 2021.

Other Regulatory Matters

Truist is subject to examinations by federal and state banking regulators, as well as the SEC, CFTC, FINRA, NYSE, various taxing authorities and various state insurance and securities regulators. Truist periodically receives requests for information from regulatory authorities in various states, including state insurance commissions and state attorneys general, securities regulators and other regulatory authorities, concerning Truist's business and accounting practices. Such requests are considered incidental to the normal conduct of business.

Government Response to COVID-19

Congress, the FRB and the other U.S. state and federal financial regulatory agencies, as well as state legislatures and officials, have taken actions to mitigate disruptions to economic activity and financial stability resulting from COVID-19 and may continue to evolve such approaches and requirements in ways that further impact the business of the Company. The descriptions below summarize certain significant government actions taken in response to the COVID-19 pandemic. The descriptions are qualified in their entirety by reference to the particular statutory or regulatory provisions or government programs summarized.

The CARES Act

The CARES Act was signed into law on March 27, 2020 and subsequently has been amended several times, including by the Consolidated Appropriations Act, 2021. Among other provisions the CARES Act includes funding for the Small Business Administration to expand lending, relief from certain U.S. GAAP requirements to allow COVID-19-related loan modifications to not be categorized as troubled debt restructurings and a range of incentives to encourage deferment, forbearance or modification of loans. One of the key CARES Act programs is the PPP. PPP loans are available to a broader range of entities than ordinary Small Business Administration loans, require deferral of principal and interest repayment, and the loan may be forgiven. The PPP was recently expanded to permit a second round of funding, including for certain borrowers who have already received a PPP loan, subject to certain conditions. On February 22, 2021, changes were made to the PPP program to establish a 14-day exclusive application period beginning on February 24, 2021, for businesses and nonprofits with fewer than 20 employees. This is intended to give lenders and community partners more time to work with the smallest businesses, while also ensuring that larger PPP-eligible businesses still have time to apply and receive support prior to the program expiration on March 31, 2021.

The CARES Act contains additional protections for homeowners and renters of properties with federally backed mortgages, including a 60-day moratorium on the initiation of foreclosure proceedings beginning on March 18, 2020 and a 120-day moratorium on initiating eviction proceedings effective March 27, 2020. Borrowers of federally backed mortgages have the right under the CARES Act to request up to 360 days of forbearance on their mortgage payments if they experience financial hardship directly or indirectly due to the coronavirus-related public health emergency. FNMA, FHLMC, FHA and VA have continued to extend their moratorium on foreclosures and evictions for single-family federally backed mortgages well into 2021.

Also pursuant to the CARES Act, the U.S. Treasury has the authority to provide loans, guarantees and other investments in support of eligible businesses, states and municipalities affected by the economic effects of COVID-19. Some of these funds have been used to support the several FRB programs and facilities described below or additional programs or facilities that are established by the FRB under its Section 13(3) authority and meeting certain criteria.

In addition to authorizing several programs to provide loans, guarantees and other investments in support of eligible organizations, states and municipalities affected by the economic effects of the COVID-19 pandemic, the CARES Act also includes several measures that temporarily adjust existing laws or regulations. The CARES Act also provides financial institutions with the option to suspend certain GAAP requirements for coronavirus-related loan modifications that would otherwise constitute troubled debt restructurings and further requires the federal banking agencies to defer to financial institutions' determinations in making such suspensions. Refer to "Note 1. Basis of Presentation" for Truist's policy related to COVID-19 loan modifications.

FRB Actions

The FRB took a range of actions to support the flow of credit to households and businesses. For example, on March 15, 2020, the FRB reduced the target range for the federal funds rate to 0 to 0.25% and announced that it would increase its holdings of U.S. Treasury securities and agency mortgage-backed securities and begin purchasing agency commercial mortgage-backed securities. The FRB also encouraged depository institutions to borrow from the discount window and lowered the primary credit rate for such borrowing by 150 basis points and extended the term of such loans up to 90 days. Reserve requirements have been reduced to zero as of March 26, 2020.

In addition, the FRB established a range of facilities and programs to support the U.S. economy and U.S. marketplace participants in response to economic disruptions associated with COVID-19. Through these facilities and programs, the FRB took steps to directly or indirectly purchase assets from, or make loans to, U.S. companies, financial institutions, municipalities and other market participants.

FRB facilities and programs that remain active include:

- a PPP Liquidity Facility to provide financing related to PPP loans made by banks;
- a Primary Dealer Credit Facility to provide liquidity to primary dealers through a secured lending facility;
- a Commercial Paper Funding Facility to purchase the commercial paper of certain U.S. issuers; and
- a Money Market Mutual Fund Liquidity Facility to purchase certain assets from, or make loans to, financial institutions providing financing to eligible money market mutual funds.

FRB facilities and programs that expired as of December 31, 2020 included:

- three Main Street Loan Facilities to purchase loan participations, under specified conditions, from banks lending to small and medium sized U.S. businesses;
- a Primary Market Corporate Credit Facility to purchase corporate bonds directly from, or make loans directly to, eligible participants;
- a Secondary Market Corporate Credit Facility to purchase corporate bonds trading in secondary markets, including from exchange-traded funds, that were issued by eligible participants;
- a Term Asset-Backed Securities Loan Facility to make loans secured by asset-backed securities; and
- a Municipal Liquidity Facility to purchase bonds directly from U.S. state, city and county issuers

Human Capital

Truist believes it is crucial to attract and retain top talent who can further Truist's purpose, mission and values. To facilitate talent attraction and retention, Truist aims to provide teammates a diverse, inclusive and safe workplace that affords them opportunities to grow and develop in their careers.

Truist's Compensation and Human Capital Committee provides input on talent management strategy for Truist and oversees the design and administration of material incentive compensation arrangements, as well as other human capital matters, including teammate diversity and inclusion, teammate engagement, and well-being initiatives.

Truist's Enterprise Ethics Risk Office partners with a broad group of internal stakeholders to set standards for teammate conduct and facilitate the timely intake and routing of teammate concerns for review. As part of that effort, the team seeks to identify trends reflecting on organizational culture and/or operational challenges and to develop solutions. The results of these efforts are regularly shared with Truist's Executive-Level Ethics, Business Practices, and Conduct Committee and its Board of Directors.

The following table presents a summary of teammates as of December 31, 2020:

Table 4: Teammate Summary

	# of Teammates	% of Population
Full-Time	52,294	95.1 %
Part-Time	2,688	4.9
Total	54,982	100.0 %

Leveraging a skilled contingent workforce is an important part of Truist's overall workforce strategy. It has enabled Truist the ability to drive process and system integrations during the Merger period while continuing to deliver on Truist's core purpose.

Diversity, Equity & Inclusion

Truist's commitment to DEI is deeply rooted in the Company's purpose to inspire and build better lives and communities. Ensuring Truist attracts, develops, and retains diverse, talented, and caring people in the industry is critical to the Company's overall success. To deliver on Truist's DEI goals, Truist created a dedicated DEI Office, specifically focused on attracting and advancing diverse representation at key levels of the Company, embedding DEI in all Truist's business strategies and hiring and investing in diverse communities. The DEI Office partners with groups across Truist to develop tools, resources, and programs to positively influence the societal impact of clients, teammates, communities and stakeholders.

Truist recognizes that ethnically diverse talent have historically been underrepresented in leadership positions at financial services companies. To emphasize Truist's commitment to advancing diversity, the Company committed to increasing its racially and ethnically diverse teammates among senior leadership positions to 15%.

The following tables presents a summary of diversity statistics as of December 31, 2019:

Table 5: Teammate Diversity (1)

	Women	People of Color
Board of Directors	31.8 %	18.2 %
Executive Leadership & senior leaders	22.1	11.8
First / mid-level managers	54.1	24.7
Professionals	50.4	33.2
All others	76.9	40.9
All teammates	64.4	35.6

(1) Source: EEO-1 data as of December 31, 2019. All others is a combination of sales workers and administrative support EEO-1 job categories.

Talent Development

Truist teammates have access to extensive programs and benefits for career advancement. Teammates can partner with a certified coach to help them focus, create clear goals and stay accountable to achieving those goals. Truist also provides tuition assistance so teammates can continue formal education by seeking degrees that align with career goals.

In addition to career development opportunities, Truist provides a differentiated learning experience to new and existing teammates, including formal onboarding training to prepare new teammates through learning content libraries for individual development needs. Truist provides a wide range of forums for learning that include relevant current trends and emerging skills in the marketplace.

Truist also has a Leadership Institute, a uniquely qualified leadership development center that creates dynamic leaders and increases teammate retention. Truist strives to succeed in maximizing the potential in every individual and instilling values and behaviors that create a strong culture of leadership. The Truist Leadership Institute combines expert psychological insight with lessons learned throughout its 60-year history of leadership development. This foundation has allowed Truist to provide teammates throughout the Company with the knowledge and skills to maximize performance.

Health, Safety, and Wellness and COVID-19

The health and safety of teammates are paramount and they have guided Truist's responses to the COVID-19 crisis. In a shift of operations, Truist enabled the majority of its workforce to work remotely, moved call centers to work-from-home status, provided teammates with the technology and resources to continue working, and enhanced cybersecurity. For teammates who needed to work in branches and offices, Truist implemented new cleaning routines, social distancing procedures, and wellness and hygiene measures. In 2020 Truist provided all teammates with resources to support their physical and mental well-being during this time.

Website Access to Truist's Filings with the SEC

Truist's electronic filings with the SEC, including the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Exchange Act, as amended, are made available at no cost on the Company's Investor Relations website, IR.Truist.com, as soon as reasonably practicable after Truist files such material with, or furnishes it to, the SEC. Truist's SEC filings are also available through the SEC's website at sec.gov.

Corporate Governance

Information with respect to Truist's Board of Directors, Executive Officers and corporate governance policies and principles is presented on Truist's Investor Relations website, IR.Truist.com. Specifically, the Company makes available on its Investor Relations website, under the heading "Governance & Responsibility" (i) its codes of ethics for the Board, senior financial officers, and teammates, (ii) its Corporate Governance Guidelines, and (iii) the charters of the Company's Board committees. If the Company makes changes in, or provides waivers from, the provisions of any of its codes of ethics that the SEC requires it to disclose, the Company intends to disclose these events in the "Governance & Responsibility" section of its Investor Relations website.

Executive Officers

Executive Officer	Recent Work Experience	Years of Service	Age
Kelly S. King *Chairman and Chief Executive Officer*	Chairman since January 2010. Chief Executive Officer since January 2009.	48	72
William H. Rogers, Jr. *President and Chief Operating Officer*	President and Chief Operating Officer since December 2019. Previously SunTrust Chairman and Chief Executive Officer since January 2012.	40*	63
Daryl N. Bible *Senior Executive Vice President and Chief Financial Officer*	Chief Financial Officer since January 2009.	13	59
Scott Case *Senior Executive Vice President and Chief Information Officer*	Chief Information Officer since December 2019. Previously SunTrust Chief Information Officer since February 2018. Chief Information Officer at Ciox Health from 2017 to 2018. Chief Technology Officer of SunTrust Consumer Segment from 2015 to 2017.	5*	50
Hugh S. (Beau) Cummins, III *Senior Executive Vice President and Head of the Corporate and Institutional Group*	Head of the Corporate and Institutional Group since December 2019. Previously SunTrust Co-Chief Operating Officer and Wholesale Segment Executive since February 2018. SunTrust Corporate Executive Vice President and Wholesale Segment Executive from 2017 to February 2018. SunTrust Commercial and Business Banking Executive from 2013 to 2017.	15*	58
Ellen M. Fitzsimmons *Senior Executive Vice President and Chief Legal Officer and Head of Enterprise Diversity*	Chief Legal Officer and Head of Enterprise Diversity since December 2019. Previously SunTrust General Counsel and Corporate Secretary since January 2018. General Counsel and Corporate Secretary of CSX Corporation from 2003 to 2017.	3*	60
Christopher L. Henson *Senior Executive Vice President and Head of Banking and Insurance*	Head of Banking and Insurance since December 2019. President from December 2016 to December 2019 and Chief Operating Officer from January 2009 to December 2019.	36	59
Michael B. Maguire *Senior Executive Vice President and Head of National Consumer Finance & Payments*	Head of National Consumer Finance and Payments since December 2019. Previously SunTrust Enterprise Partnerships and Investments Executive.	18*	42
Kimberly Moore-Wright, *Senior Executive Vice President and Chief Human Resources Officer*	Chief Human Resources Officer since December 2019. Director of Marketing and Digital Sales from January 2016 to November 2019. Director of Retail and Commercial Marketing Strategy from January 2012 to December 2015.	25	47
Brant J. Standridge *Senior Executive Vice President and President, Retail Banking*	Head of Retail Community Banking since December 2019. President, Retail Banking since January 2018. Lending Group Manager from August 2016 to December 2017. Regional President in Texas from January 2015 to August 2016.	22	45
Clarke R. Starnes III *Senior Executive Vice President and Chief Risk Officer*	Chief Risk Officer since July 2009.	38	61
Joseph M. Thompson *Senior Executive Vice President and Head of Truist Wealth*	Head of Truist Wealth since December 2019. Previously SunTrust Head of Private Wealth Management since August 2014.	27*	54
David H. Weaver *Senior Executive Vice President and Head of Commercial Community Banking*	Head of Commercial Community Banking since December 2019. President, Community Banking since December 2016. Community Banking Group Executive from 2010 to December 2016.	25	54
Dontá L. Wilson *Senior Executive Vice President and Chief Digital and Client Experience Officer*	Chief Digital and Client Experience Officer since November 2018. Chief Client Experience Officer since August 2016. Regional President in Georgia from December 2014 to July 2016.	22	44

* Reflects combined years of services at Truist and SunTrust.

ITEM 1A. RISK FACTORS

Summary of Risk Factors

Merger-Related Risks
- Truist may not be able to successfully integrate the companies or to realize the anticipated benefits of the Merger.
- Truist will continue to incur substantial expenses related to the Merger and the integration.

COVID-19 Risks
- The effects of COVID-19 have adversely impacted, and will likely continue to adversely impact, the Company's financial condition and results of operations.

Market Risks
- Changes in interest rates could adversely affect revenue and expenses, the value of assets and liabilities, as well as the availability and cost of capital, cash flows and liquidity.
- The monetary and fiscal policies of the federal government and its agencies could have a material adverse effect on profitability.
- Financial results, lending or other business activities could be materially affected by a deterioration of economic conditions.
- Instability in global economic conditions and geopolitical matters, as well as volatility in financial markets, could have a material adverse effect on the Company's operations, earnings and financial condition.
- The replacement of LIBOR could adversely affect Truist's profitability and financial condition.

Credit Risks
- The Company is subject to credit risk by lending or committing to lend money, or entering into a letter of credit or other types of contracts with counterparties.
- The Company 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.

Liquidity Risks
- Truist's liquidity could be impaired by an inability to access short-term funding or an unforeseen outflow of cash.
- Loss of deposits or a change in deposit mix could increase Truist's funding costs.
- Truist relies on the mortgage secondary market and GSEs for some of the Company's liquidity.
- Any reduction in the Company's credit rating could increase the cost of the Company's funding from the capital markets.
- The Parent Company has less access to funding sources and its liquidity could be constrained if the Bank becomes unable to pay dividends during a time of stress.

Compliance Risks
- Truist is subject to extensive and evolving government regulation and supervision, which could increase the cost of doing business, limit Truist's ability to make investments and generate revenue and lead to costly enforcement actions.
- Truist is subject to regulatory capital and liquidity standards that affect the Company's business, operations and ability to pay dividends or otherwise return capital to shareholders.
- Truist is subject to certain risks related to originating and selling mortgages and may be required to repurchase mortgage loans or indemnify mortgage loan purchasers.
- Truist faces risks as a servicer of loans.

Strategic Risks
- Truist may face the risk of financial loss or negative impact resulting from ineffective strategy setting and execution, adverse business decisions, or lack of responsiveness to changes in the external environment.
- Competition may reduce Truist's client base or cause Truist to modify pricing for products and services in order to maintain market share.
- Truist may not be able to complete future mergers or acquisitions.
- Truist has businesses other than banking that are subject to a variety of risks.

Reputational Risks
- Negative public opinion could damage the Company's reputation and adversely impact business and revenues.
- Scrutiny of the Company's sales, training and incentive compensation practices could damage the Company’s reputation and adversely impact business and revenues.

Operational Risks
- Litigation may adversely affect the Company's results.
- The Company may incur fines, penalties and other negative consequences from regulatory violations, including inadvertent or unintentional violations.
- Truist relies on other companies to provide key components of the Company's business infrastructure.
- Truist depends on the expertise of key personnel. If these individuals leave or change their roles without effective replacements, operations may suffer.

- The Company may not be able to hire or retain additional qualified personnel and recruiting and compensation costs may increase as a result of changes in the marketplace, which may increase costs and adversely impact the Company's ability to implement business strategies.
- The Company's framework for managing risks may not be effective.
- There are risks resulting from the extensive use of models in Truist's business, which may impact decisions made by Management and regulators.
- The Company is at risk of increased losses from fraud.
- The Company's operational or security systems or infrastructure or those of third parties, could fail or be breached, which could disrupt the Company's business and adversely impact the Company's results of operations, liquidity and financial condition, as well as cause legal or reputational harm.
- Natural disasters and other catastrophic events could have a material adverse impact on the Company's operations or the Company's financial condition and results.
- Truist may be impacted by the soundness of other financial institutions.
- Truist depends on the accuracy and completeness of information about clients and counterparties.
- The Company's accounting policies and processes are critical to how it reports the Company's financial condition and results of operations. They require management to make estimates about matters that are uncertain.
- Depressed market values for the Company's stock and adverse economic conditions sustained over a period of time may require the Company to write down all or some portion of the Company's goodwill.
- Certain banking laws and certain provisions of the Company's articles of incorporation may have an anti-takeover effect.

Technology Risks

- The Company faces cybersecurity risks, including denial of service, hacking and social engineering attacks that could result in the disclosure of confidential information, adversely affect the Company's operations or reputation and create significant legal and financial exposure.
- Truist will continually encounter technological change and must effectively develop and implement new technology.

The following discussion sets forth some of the more important risk factors that could materially affect Truist's financial condition and operations. When a risk factor spans several risk categories, the risks have been listed by their primary risk category. The risks described are not all inclusive. Additional risks that are not presently known or risks deemed immaterial may have a material adverse effect on Truist's financial condition, results of operations, business and prospects.

Merger-Related Risks

Truist may not be able to successfully integrate the companies or to realize the anticipated benefits of the Merger.

The Company was formed by the Merger of BB&T and SunTrust on December 6, 2019. Truist anticipates further integration of systems, operations, and personnel of BB&T and SunTrust over the next couple of years.

The successful integration of BB&T's and SunTrust's operations will depend substantially on the Company's ability to successfully consolidate operations, management teams, corporate cultures, systems and procedures and to eliminate redundancies and costs. Truist may encounter difficulties during integration, such as:

- the loss of key teammates and clients;
- the disruption of operations and businesses;
- loan, deposit, and revenue attrition;
- inconsistencies in standards, control procedures and policies;
- unexpected issues with planned branch and other facilities closures;
- unexpected issues with costs, operations, personnel, technology; and
- problems with the assimilation of new operations, sites or personnel.

Integration activities have and will continue to divert resources from regular operations. In addition, general market and economic conditions or governmental actions affecting the financial industry may inhibit the Company's successful integration of these entities.

BB&T and SunTrust merged with the expectation that the Merger would result in various synergies, including benefits relating to enhanced revenues, a strengthened and expanded market position for the combined organization, technology efficiencies, cost savings and operating efficiencies. Achieving the anticipated benefits of the Merger is subject to a number of uncertainties, including whether the Company integrates the institutions in an efficient and effective manner, as well as general competitive factors in the marketplace. Failure to achieve or delays in achieving these anticipated benefits could result in a share price reduction as well as increased costs, decreases in the amount of expected revenues, and diversion of management's time and energy and could materially and adversely affect the Company's financial condition, results of operations, business and prospects.

Truist will continue to incur substantial expenses related to the Merger and the integration.

There are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated. In addition, the Merger may increase the Company's compliance and legal risks, including increased litigation or regulatory actions such as fines or restrictions related to the business practices or operations of the combined business.

While the Company has assumed that a certain level of expenses would be incurred, there are many factors beyond the Company's control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the expected savings from the elimination of duplicative expenses and the realization of economies of scale. The amount and timing of future charges to earnings as a result of Merger or integration expenses are uncertain.

COVID-19 Risks

The effects of COVID-19 have adversely impacted, and will likely continue to adversely impact, the Company's financial condition and results of operations.

The COVID-19 pandemic has severely disrupted almost all economic activity in the U.S. Despite the partial lifting of federal and state shelter-in-place orders, some of which have been renewed, it remains unknown when there will be a return to normal economic activity due to continued significant numbers of new cases, potential impact of new COVID strains, uncertain vaccination rollout timeline, and increased economic stress associated with the pandemic. Truist temporarily limited access to certain offices, limited branches to drive-thru and appointment only, suspended some services and the majority of the Company's workforce is working remotely, which may increase cybersecurity risks to the Company. Approximately 90% of branches are open and unlocked, or open with controlled access. Truist continues to follow appropriate COVID-19 safety protocols, including proper social distancing. Commercial clients are experiencing varying levels of disruptions or restrictions on their business activity and supply chains, closures of facilities or decreases in demand for their products and services. Consumer clients are experiencing interrupted income or unemployment. Certain industries have been particularly susceptible to the effects of the pandemic, such as hotels, resorts, cruise lines, oil and gas companies, senior and acute care facilities, restaurants, and other sensitive retail businesses, and Truist has outstanding loans to clients in these industries. In 2020, several credit rating agencies downgraded their outlook on U.S. banks due in part to the concerns presented by the pandemic. The global financial markets have also experienced significant volatility. The duration of this severe economic disruption and its related financial impact cannot be reasonably estimated at this time.

The effects of the pandemic have already resulted in an increase in the allowance for credit losses, a reduction of fee income, a reduction of net interest margin and an increase in expenses. Prolonged continuation of current conditions could worsen these impacts and also affect the Company's capital and liquidity position, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, cause an outflow of deposits, cause significant property damage, in case of civil unrest or vandalism, influence the recognition of credit losses on loans and securities and further increase the allowance for credit losses, result in additional lost revenue, cause additional increases in expenses, result in goodwill impairment charges, result in the impairment of other financial and nonfinancial assets, and increase the Company's cost of capital.

Intensive government actions to mitigate the economic suffering caused by the pandemic may not be successful or may result in increased pressure on the banking sector. Net interest margin has been, and is likely to continue to be, affected by the very low interest rate environment. The application of forbearance and payment deferral policies beyond any statutory requirements may impact Truist's interest income. Truist participated in the SBA's PPP, which was recently expanded to permit a second round of funding, as an eligible lender with the benefit of a government guaranty of loans to small business clients, many of whom may face difficulties even after being granted such a loan. The Company faces increased risks, in terms of credit, fraud risk and litigation, in light of participation in this program. Truist has been named in several lawsuits relating to its participation in the PPP.

It is possible that the pandemic and its aftermath will lead to a prolonged economic slowdown or recession in the U.S. economy or the world economy in general. The ultimate impact on the Company's financial condition, results of operation, and liquidity and capital position will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the pandemic and the actions to contain or treat its impact. Moreover, the effects of the COVID-19 pandemic will heighten the other risks described in this Annual Report on Form 10-K.

Market Risks

Changes in interest rates could adversely affect revenue and expenses, the value of assets and liabilities, as well as the availability and cost of capital, cash flows and liquidity.

Truist's balance sheet can be sensitive to movements in market interest rates and spreads as well as basis risk arising from the Company's ALM activities, which management must closely monitor. In addition to the impact of the general economy, changes in interest rates or in valuations in the debt or equity markets could directly impact the Company in one or more of the following ways:

- The yield on earning assets and rates paid on interest-bearing liabilities may change in disproportionate ways; or
- The value of financial instruments held could change adversely.

Regional and local economic conditions, competitive pressures and the policies of regulatory authorities affect interest income and interest expense. When interest rates rise, funding costs may rise faster than the yield the Company earns on assets, causing net interest margin to contract. Higher interest rates may also result in lower mortgage production income and elevated charge-offs in certain categories of the loan portfolio. Conversely, when interest rates fall, the yield the Company earns on assets may fall faster than the Company's ability to lower rates paid on deposits or borrowings.

Certain investment securities, notably MBS, are very sensitive to changes in rates. Generally, when rates rise, prepayments will decrease and the duration of MBS will increase. Conversely, when rates fall, prepayments of principal and interest will increase and the duration of MBS will decrease.

In addition, in response to the outbreak of COVID-19 pandemic and its economic consequences, the FRB lowered its target for the federal funds rate to a range of 0% to 0.25%. Low rates increase the risk of a negative interest rate environment, either broadly or for some types of instruments. For example, in March 2020 the yields on one-month and three-month Treasuries briefly dropped below zero. A negative interest rate environment could have a material adverse effect on Truist's financial condition and results of operations. In a negative interest rate environment, some depositors may choose to withdraw their deposits in lieu of paying an interest rate to Truist to hold such deposits. Negative rates would also diminish the spreads on loans and securities. Further, Truist cannot predict the nature or timing of future changes in monetary policies in response to the COVID-19 pandemic or the effects that they may have on the Company's activities and financial results.

The monetary and fiscal policies of the federal government and its agencies could have a material adverse effect on profitability.

Changes in monetary and fiscal policies, including FRB policies, can adversely affect profitability and cannot be controlled or predicted by the Company. FRB policies can:

- significantly impact the cost of funds, as well as the return on assets, both of which can have an impact on interest income;
- materially affect the value of financial assets and liabilities;
- adversely affect borrowers through higher debt servicing costs and potentially increase the risk that they may fail to repay their loan obligations; and
- artificially inflate asset values during prolonged periods of accommodative policy, which could in turn cause volatile markets and rapidly declining collateral values.

Financial results, lending or other business activities could be materially affected by a deterioration of economic conditions.

A prolonged period of slow growth in the U.S. economy as a whole or in any regional markets that Truist serves, or any deterioration in economic conditions or the financial markets may disrupt or dampen the economy, which could materially adversely affect the Company's financial condition and results.

If economic conditions deteriorate, the Company may see lower demand for loans by creditworthy clients, reducing the Company's interest income. In addition, if unemployment levels increase or if real estate prices decrease, the Company would expect to incur higher charge-offs and may incur higher expenses in connection with adjustments to the reasonable and supportable forecasts used to estimate the allowance for credit losses in accordance with CECL requirements. These conditions may adversely affect not only consumer loan performance but also commercial and industrial and commercial real estate loans, especially for those businesses that rely on the health of industries or properties that may suffer from deteriorating economic conditions. The ability of these borrowers to repay their loans may be reduced, causing the Company to incur higher credit losses.

The deterioration of economic conditions also could adversely affect financial results for the Company's fee-based businesses. Truist earns fee income from, among other activities, managing assets for clients and providing brokerage and other investment advisory and wealth management services. Investment management fees are often based on the value of assets under management and a decrease in the market prices of those assets could reduce the Company's fee income. Changes in stock or fixed income market prices or client preferences could affect the trading activity of investors, reducing commissions and other fees earned from the Company's brokerage business. Poor economic conditions and volatile or unstable financial markets would likely adversely affect the Company's capital markets-related businesses.

Instability in global economic conditions and geopolitical matters, as well as volatility in financial markets, could have a material adverse effect on the Company's operations, earnings and financial condition.

Instability in global economic conditions and geopolitical matters, as well as volatility in financial markets, could have a material adverse effect on the Company's operations, earnings and financial condition. The macroeconomic environment in the United States is susceptible to global events and volatility in financial markets. For example, trade negotiations between the U.S. and other nations remains uncertain and could adversely impact economic and market conditions for the Company and its clients and counterparties.

A negative change in economic conditions, the performance of foreign sovereign debt, changes of trade policies and other matters could adversely affect the Company's business, financial condition and liquidity. Domestic and global political activity, geopolitical matters, including international political unrest or disturbances, terrorist activities, military conflicts, concerns over energy prices, trade wars and economic instability or recession in certain regions could cause volatility in the financial markets, undermine investor confidence or cause a contraction of available credit. Any of these could reduce the value of the Company's assets or cause a reduction in liquidity that adversely impacts the Company's financial condition and results of operations.

The replacement of LIBOR could adversely affect Truist's profitability and financial condition.

LIBOR and certain other interest rate benchmarks are the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past or have other consequences which cannot be predicted. LIBOR in its current form was anticipated to no longer be available after 2021.

On November 30, 2020 the administrator of LIBOR announced it will consult on its intention to cease publication of the one-week and two-month settings immediately following the LIBOR publication on December 31, 2021, and the remaining U.S. dollar LIBOR settings immediately following the LIBOR publication on June 30, 2023. While there is no consensus on what rate or rates may become accepted alternatives to LIBOR, a group of market participants convened by the FRB, the ARRC, has selected the SOFR as its recommended alternative to U.S. dollar LIBOR. In 2020, Truist began offering SOFR-based lending solutions to wholesale and consumer clients, and entered into SOFR-based derivative contracts.

The U.S. federal banking agencies issued a statement in November 2020 encouraging banks to transition away from U.S. dollar LIBOR as soon as practicable and to stop entering into new contracts that use U.S. dollar LIBOR by December 31, 2021. SOFR or other alternative reference rates may perform differently than LIBOR in response to changing market conditions. For example, SOFR could experience greater decreases during times of economic stress, which could require the Company to lend at lower rates at times when the Company's borrowing costs are increasing.

The market transition away from LIBOR to alternative reference rates is complex and could have a range of adverse effects on the Company's business, financial condition and results of operations. In particular, any such transition could:

- adversely affect the interest rates received or paid on the revenue and expenses associated with or the value of the Company's LIBOR-based assets and liabilities;
- adversely affect the interest rates received or paid on the revenue and expenses associated with or the value of other securities or financial arrangements, given LIBOR's role in determining market interest rates globally;
- prompt inquiries or other actions from regulators in respect of the Company's preparation and readiness for the replacement of LIBOR with an alternative reference rate; and

- result in disputes, litigation or other actions with borrowers or counterparties about the interpretation and enforceability of certain fallback language in LIBOR-based contracts and securities.

The transition away from LIBOR to an alternative reference rate or rates will require the transition to or development of appropriate systems, models and analytics to effectively transition the Company's risk management and other processes from LIBOR-based products to those based on the applicable alternative reference rate, such as SOFR. Truist has developed a LIBOR transition team and project plan that outlines timelines and priorities to prepare its processes, systems and people to support this transition. Timelines and priorities include assessing the impact on the Company's clients, as well as assessing system requirements for operational processes. There can be no guarantee that these efforts will successfully mitigate the operational risks associated with the transition away from LIBOR to an alternative reference rate.

The manner and impact of the transition from LIBOR to an alternative reference rate, as well as the effect of these developments on the Company's funding costs, loan, investment and trading securities portfolios, and ALM, is uncertain.

Credit Risks

The Company is subject to credit risk by lending or committing to lend money, or entering into a letter of credit or other types of contracts with counterparties.

Truist incurs credit risk, which is the risk of loss if the Company's borrowers or counterparties fail to perform according to the terms of their contracts. A number of products expose the Company to credit risk, including loans and leases, lending commitments, derivatives, trading assets and investment securities. Changes in credit quality can have a significant impact on the Company's earnings and capital position. The Company estimates and establishes reserves for credit risks and credit losses inherent in its determination of credit exposure. This process, which is critical to the Company's financial results and condition, requires complex calculations and extensive use of judgment, considering both external and borrower-specific factors that might impair the ability of borrowers to repay their loans. As is the case with any such assessments, there is always the chance that the Company will fail to identify all pertinent factors or that the Company will fail to accurately estimate the impacts of factors identified.

Credit losses may exceed the amount of the Company's reserves as a result of changing economic conditions, including falling real estate or commodity prices and higher unemployment or other factors such as changes in borrower behavior. There is no assurance that reserves will be sufficient to cover all incurred credit losses. In the event of significant deterioration in economic conditions, the Company may be required to increase reserves in future periods, which would reduce the Company's earnings and potentially impact its capital.

The Company 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.

The Company's credit risk and credit losses can increase if the Company's loans are concentrated in borrowers engaged in the same or similar activities or in borrowers who as a group may be uniquely or disproportionately affected by economic or market conditions.

Deterioration in economic conditions, housing conditions or real estate values, including as a result of climate change or natural disasters, in the markets in which the Company operates could result in materially higher credit losses. The Company is also subject to physical risks, which could manifest in the form of asset quality deterioration and could be exacerbated by specific portfolio concentrations, and transition risks, which could manifest through longer-term shifts in market dynamics and consumer preferences in specific industries that may be more sensitive or vulnerable to a transition to a low carbon economy. Shorter term transition risks arising from regulatory changes or technological breakthroughs may require an acceleration of certain risk mitigation strategies.

Liquidity Risks

Truist's liquidity could be impaired by an inability to access short-term funding or an unforeseen outflow of cash.

Liquidity is essential to Truist's businesses. When volatility or disruptions occur in the wholesale funding markets, the Company's ability to access short-term liquidity could be materially impaired. In addition, other factors outside of the Company's control, such as a general market disruption or an operational problem that affects third parties, could impair the Company's ability to access short-term funding or create an unforeseen outflow of cash due to, among other factors, draws on unfunded commitments or deposit attrition. The Company's inability to access short-term funding or capital markets could constrain the Company's ability to make new loans or meet existing lending commitments and could ultimately jeopardize the Company's overall liquidity and capitalization.

Loss of deposits or a change in deposit mix could increase Truist's funding costs.

Deposits are a low cost and stable source of funding. Truist competes with banks and other financial institutions for deposits and as a result, could lose deposits in the future or see an increase in costs associated with maintaining deposits. Clients may shift their deposits into higher cost products or the Company may need to raise interest rates to avoid deposit attrition. Funding costs may also increase if deposits lost are replaced with wholesale funding. Higher funding costs reduce Truist's net interest margin, net interest income, and net income.

Truist relies on the mortgage secondary market and GSEs for some of the Company's liquidity.

Truist sells a portion of the mortgage loans originated to reduce the Company's retained credit risk and to provide funding capacity for originating additional loans. GSEs could limit their purchases of conforming loans due to capital constraints or other changes in their criteria for conforming loans (e.g., maximum loan amount or borrower eligibility). This potential reduction in purchases could limit the Company's ability to fund new loans.

Proposals have been presented to reform the housing finance market in the U.S., including the role of the GSEs in the housing finance market. The extent and timing of any such regulatory reform of the housing finance market and the GSEs, as well as any effect on the Company's business and financial results, are uncertain.

Any reduction in the Company's credit rating could increase the cost of the Company's funding from the capital markets.

Ratings agencies regularly evaluate Truist and its subsidiaries. Ratings are based on a number of factors, including the financial strength of the Company as well as conditions affecting the financial services industry generally. Failure to maintain those ratings could adversely affect funding cost and increase the Company's cost of capital. A credit downgrade might also affect the Company's ability to attract or retain deposits from commercial and corporate clients. Additionally, the Company's ability to conduct derivatives business with certain clients and counterparties could also be impacted and could trigger obligations to make cash or collateral payments to certain clients and counterparties.

The Parent Company has less access to funding sources and its liquidity could be constrained if the Bank becomes unable to pay dividends during a time of stress.

The Parent Company relies upon capital markets access and dividends from affiliates for funding and has less access to contingent funding sources than the Bank. If the Bank were subject to a financial stress, its dividends to the Parent Company could be reduced or eliminated in order to support Bank capital ratios or other regulatory requirements. This would increase the Parent Company's reliance on capital markets at a time when spreads and funding costs are likely elevated due the stress impacting the Bank.

Compliance Risks

Truist is subject to extensive and evolving government regulation and supervision, which could increase the cost of doing business, limit Truist's ability to make investments and generate revenue and lead to costly enforcement actions.

The banking and financial services industries are highly regulated. Truist is subject to supervision, regulation and examination by regulators, including the FRB, FDIC, NCCOB, SEC, CFTC, CFPB, FINRA and various state regulatory agencies. The statutory and regulatory framework governing Truist is generally intended to protect depositors, the DIF, clients, and the U.S. financial system as a whole, and not Truist's debt holders or shareholders. Reform of the financial services industry resulting from the Dodd-Frank Act, including the EGRRCPA and other legislative, regulatory and technological changes, affect the Company's operations.

These laws and regulations and Truist's inability to act in certain instances without receiving prior regulatory approval affect Truist's lending practices, capital structure, investment practices, dividend policy, ability to repurchase common stock and ability to pursue strategic acquisitions, among other activities. Changes to statutes, regulations or regulatory policies or their interpretation or implementation and the continued heightening of regulatory requirements could affect Truist in substantial and unpredictable ways. Federal and state banking regulators also possess broad powers to take supervisory actions as they deem appropriate. These supervisory actions may result in higher capital requirements, higher deposit insurance premiums and limitations on the Company's activities that could have a material adverse effect on operations or profitability.

In recent years, both Congress and the federal banking regulators have engaged in a rebalancing of the post financial crisis legal and regulatory framework, particularly by tailoring enhanced prudential standards to the size, risk profile and complexity of the banking organization. It is possible that the new presidential administration and the new Congress could reconsider this rebalancing of the legal and regulatory framework and also impose significant new regulatory and supervisory burdens on the financial sector. Truist expects that its businesses will remain subject to extensive regulation and supervision. Any potential new regulations or modifications to existing regulations would likely necessitate changes to Truist's existing regulatory compliance and risk management infrastructure. Compliance with new regulations and supervisory initiatives, including those newly applicable as a result of the Merger may increase costs. In addition, concerns over climate change may prompt changes in regulations that, in turn, could have a material adverse impact on asset values and the financial performance of Truist's businesses and its clients.

Truist is subject to heightened requirements under the enhanced prudential standards and expects increased supervisory scrutiny, including, for example, single counterparty credit limits, heightened expectations with respect to governance, risk management and internal controls and additional capital and liquidity requirements.

The financial services industry faces scrutiny from bank supervisors in the examination process and stringent enforcement of regulations on both the federal and state levels. Areas of focus in the recent past have been with respect to mortgage-related practices, student lending practices, auto lending practices, sales practices and related incentive compensation programs and other consumer compliance matters. Truist continues to be subject to examinations and ongoing monitoring to assess compliance with BSA/AML laws and regulations, as well as sanctions compliance administered by the OFAC. For example, during November 2019, SunTrust Bank entered into a consent order with the FRB in connection with marketing, enrollment and billing practices related to deposit account add-on and similar products provided to certain business customers. Current and future actions by regulators could impact Truist's operations. See additional disclosures in the "Regulatory Considerations" section.

The Company is subject to laws, rules and regulations regarding compliance with privacy policies and the disclosure, collection, use, sharing and safeguarding of personal identifiable information of certain parties. There has recently been an increase in legislative and regulatory efforts to protect the privacy of consumer data. These initiatives may limit how companies can use customer data and may increase compliance complexity and related costs, result in significant financial penalties for compliance failures and limit the Company's ability to develop new products or respond to technological changes. Such legal requirements also could heighten the reputational impact of perceived misuses of customer data by the Company and third parties.

Heightened regulatory scrutiny or the results of an investigation or examination may lead to additional regulatory investigations or enforcement actions. There is no assurance that those actions will not result in regulatory settlements or other enforcement actions against Truist. Furthermore, a single event involving a potential violation of law or regulation may give rise to numerous and overlapping investigations and proceedings, either by multiple federal and state agencies and officials in the United States or, in some instances, regulators and other governmental officials in foreign jurisdictions.

Federal law grants substantial enforcement powers to federal banking regulators and law enforcement agencies. This enforcement authority includes, among other things, the ability to assess significant civil or criminal monetary penalties, fines or restitution; to issue cease and desist or removal orders; and to initiate injunctive actions against banking organizations and institution-affiliated parties. These enforcement actions may be initiated for violations of laws and regulations and unsafe or unsound practices.

A failure to comply with regulatory requirements and expectations could expose the Company to fines, regulatory penalties, other costs, reputational damage and regulatory or enforcement actions, such as limitations on engaging in new activities or expanding geographically. In some cases, governmental authorities have required criminal pleas or other extraordinary terms as part of such settlements, which could have significant consequences for a financial institution, including loss of clients, restrictions on the ability to access the capital markets and the inability to operate certain businesses or offer certain products for a period of time. Violations of laws and regulations or deemed deficiencies in risk management practices also may be incorporated into Truist's confidential supervisory ratings. A downgrade in these ratings or these or other regulatory actions and settlements, could limit Truist's ability to conduct expansionary activities for a period of time and require new or additional regulatory approvals before engaging in certain other business activities. Any future enforcement action could have a material adverse impact.

Regulatory changes may reduce Truist's revenues, limit the types of financial services and products it may offer, alter the investments it makes, affect the manner in which it operates its businesses, increase its litigation and regulatory costs should it fail to appropriately comply with new or modified laws and regulatory requirements and increase the ability of non-banks to offer competing financial services and products.

Truist is subject to regulatory capital and liquidity standards that affect the Company's business, operations and ability to pay dividends or otherwise return capital to shareholders.

Truist is subject to regulatory capital and liquidity requirements established by the FRB and the FDIC. These regulatory capital and liquidity requirements are typically developed at an international level by the BCBS and then applied, with adjustments, in each country by the appropriate domestic regulatory bodies. Domestic regulatory agencies have the ability to apply stricter capital and liquidity standards than those developed by the BCBS. In several instances, the U.S. banking agencies have done so with respect to U.S. banking organizations.

Requirements to maintain specified levels of capital and liquidity and regulatory expectations as to the quality of the Company's capital and liquidity may prevent the Company from taking advantage of opportunities in the best interest of shareholders or force the Company to take actions contrary to their interests. For example, Truist may be limited in its ability to pay or increase dividends or otherwise return capital to shareholders. In addition, these requirements may impact the amount and type of loans the Company is able to make. Truist may be constrained in its ability to expand, either organically or through mergers and acquisitions. These requirements may cause the Company to sell or refrain from acquiring assets where the capital requirements appear inconsistent with the assets' underlying risks. In addition, liquidity standards require the Company to maintain holdings of highly liquid investments, thereby reducing the Company's ability to invest in less liquid assets, even if more desirable from a balance sheet or interest rate risk management perspective. As a Category III banking organization, Truist is subject to additional capital and liquidity requirements.

The liquidity standards applicable to large U.S. banking organizations have also been supplemented in recent years. For example, in October 2020, the U.S. banking agencies finalized rules to implement the NSFR, which is designed to ensure that banking organizations maintain a stable funding profile in relation to their asset composition and off-balance sheet activities.

In addition to the regulatory capital and liquidity requirements applicable to Truist and Truist Bank, the Company's broker-dealer subsidiaries are subject to capital requirements established by the SEC.

Regulatory capital and liquidity requirements receive periodic review and revision by the BCBS and the U.S. banking agencies. Changes to capital and liquidity requirements may require Truist or Truist Bank to maintain more or higher quality capital or greater liquidity and could increase some of the potential adverse effects described above.

Truist is subject to certain risks related to originating and selling mortgages and may be required to repurchase mortgage loans or indemnify mortgage loan purchasers.

Truist is required to make customary representations and warranties to the purchaser about the mortgage loans and the manner in which they were originated when selling mortgage loans or loan securitizations. An increase in the number of repurchase and indemnity demands from purchasers related to representations and warranties on loans sold could result in an increase in the amount of losses for loan repurchases. Truist also bears a risk of loss from borrower defaults for multi-family commercial mortgage loans sold to FNMA.

In addition to repurchase claims from GSEs, Truist could be subject to indemnification claims from non-GSE purchasers of the Company's loans. Claims could be made if Truist fails to conform to statements about the quality of the mortgage loans sold, the manner in which the loans were originated and underwritten or to comply with state and federal law.

Truist faces risks as a servicer of loans.

The Company acts as servicer and master servicer for mortgage loans included in securitizations and for unsecuritized mortgage loans owned by investors. As a servicer or master servicer for those loans, the Company has certain contractual obligations to the securitization trusts, investors or other third parties. As a servicer, Truist's obligations include foreclosing on defaulted mortgage loans or, to the extent consistent with the applicable securitization or other investor agreement, considering alternatives to foreclosure such as loan modifications or short sales. In the Company's capacity as a master servicer, obligations include overseeing the servicing of mortgage loans by the servicer. Generally, the Company's servicing obligations are set by contract, for which the Company receives a contractual fee. However, GSEs can amend their servicing guidelines, which can increase the scope or costs of the services required without any corresponding increase in the Company's servicing fee. Further, the CFPB has implemented national servicing standards which have increased the scope and costs of services which the Company is required to perform. In addition, there has been a significant increase in state laws that impose additional servicing requirements that increase the scope and cost of the Company's servicing obligations. As a servicer, the Company also advances expenses on behalf of investors which it may be unable to collect.

A material breach of the Company's obligations as servicer or master servicer may result in contract termination if the breach is not cured within a specified period of time following notice, which can generally be given by the securitization trustee or a specified percentage of security holders, causing the Company to lose servicing income. In addition, the Company may be required to indemnify the securitization trustee against losses from any failure by the Company, as a servicer or master servicer, to perform the Company's servicing obligations or any act or omission on the Company's part that involves willful misfeasance, bad faith or gross negligence. For certain investors and certain transactions, Truist may be contractually obligated to repurchase a mortgage loan or reimburse the investor for credit losses incurred on the loan as a remedy for servicing errors with respect to the loan. The Company may be subject to increased repurchase obligations as a result of claims made that the Company did not satisfy its obligations as a servicer or master servicer. The Company may also experience increased loss severity on repurchases, which may require a material increase to the Company's repurchase reserve.

The Company has and may continue to receive indemnification requests related to the Company's servicing of loans owned or insured by other parties, primarily GSEs. Typically, such a claim seeks to impose a compensatory fee on the Company for departures from GSE service levels. In most cases, this is related to delays in the foreclosure process. Additionally, the Company has received indemnification requests where an investor or insurer has suffered a loss due to a breach of the servicing agreement. While the number of such claims has been small, these could increase in the future.

Strategic Risks

Truist may face the risk of financial loss or negative impact resulting from ineffective strategy setting and execution, adverse business decisions, or lack of responsiveness to changes in the external environment.

Embedded within strategic risks are risks associated with:

- maintaining a level of earnings appropriate to support growth objectives and the ability to maintain dividends in various economic cycles,
- successful delivery of innovation and technology strategies that transform the client experience as well as the way Truist conducts business, and
- changes and events within the external environment, including geopolitical, macroeconomic, social, cultural, competitive and regulatory factors.

Any of the foregoing may impact the successful execution of Truist's strategy.

Competition may reduce Truist's client base or cause Truist to modify pricing for products and services in order to maintain market share.

Truist operates in a highly competitive industry that could become even more competitive with neo-banks and other fintechs. Increased competition could arise from technological advancements, legislative and regulatory changes, as well as competition from other financial services companies, some of which may be subject to less extensive regulation than Truist. The Company's success depends, in part, on the Company's ability to adapt its offering of products and services to evolving industry standards and client expectations. The widespread adoption of new technologies has required and will continue to require substantial investments to modify existing products and services or to develop new products and services. In addition, there is increasing pressure to provide products and services at lower prices further reducing contribution margins. The Company may not be successful in introducing new products and services in response to industry trends or developments in technology or those new products may not achieve market acceptance.

Truist also competes with nonbank companies inside and outside of the Company's market area and, in some cases, with companies other than those traditionally considered financial sector participants. In particular, technology companies are increasingly focusing on the financial sector, either in partnership with competitor banking organizations or on their own. These companies generally are not subject to the same regulatory burdens as main street financial institutions and may accordingly realize certain cost strategies and offer products and services at more favorable rates and with greater convenience to the client. This competition could result in the loss of clients and revenue in areas where fintechs are operating. As the pace of technology and change advance, continuous innovation is expected to exert long-term pressure on the financial services industry.

The adoption of new technologies by competitors, including internet banking services, mobile applications, advanced ATM functionality and cryptocurrencies could require the Company to make substantial investments to modify or adapt the Company's existing products and services or even radically alter the way Truist conducts business. These and other capital investments in the Company's business may not produce expected growth in earnings anticipated at the time of the expenditure.

Certain external environmental factors could also impact the Company's strategy. Increasing frequency and severity of impacts from natural disasters brought on by climate change may alter the Company's strategic direction in order to mitigate certain financial risks. While material impact from climate change is expected to occur over a longer time horizon, the acceleration of a transition to a low-carbon economy could present idiosyncratic risks in certain sectors and carbon intensive industries over time. Climate change is expected to present incremental risks to the execution of the Company's long-term strategy. In addition, concerns over climate change may prompt changes in regulations that, in turn, could have a material adverse impact on asset values and the financial performance of Truist's businesses, and those of its clients.

Truist may not be able to complete future mergers or acquisitions.

The Company must generally satisfy a number of meaningful conditions before completing an acquisition of another bank or BHC, including federal and state regulatory approvals. In determining whether to approve a proposed bank or BHC acquisition, bank regulators will consider, among other factors, the effect of the acquisition on competition; financial condition and future prospects, including current and projected capital ratios and levels; the competence, experience and integrity of management; record of compliance with laws and regulations; the convenience and needs of the communities to be served, including the acquiring institution's record of compliance under the CRA; the effectiveness of the acquiring institution in combating money laundering activities; and protests from various stakeholders. In addition, U.S. regulators must take systemic risk to the U.S. financial system into account when evaluating whether to approve a potential acquisition transaction involving a large financial institution like Truist. There is no certainty as to when or if or on what terms and conditions, any required regulatory approvals will be granted for any potential acquisition. In specific cases, Truist may be required to sell banks or branches or take other actions as a condition to receiving regulatory approval. An inability to satisfy other conditions necessary to consummate an acquisition transaction, such as third party litigation, a judicial order blocking the transaction or lack of shareholder approval, could also prevent the Company from completing an announced acquisition.

Truist has businesses other than banking that are subject to a variety of risks.

Truist is a diversified financial services company and this diversity subjects the Company's earnings to a broader variety of risks and uncertainties. Other businesses in addition to banking that the Company operates include insurance, investment banking, securities underwriting and market making, loan syndications, investment management and advice and retail and wholesale brokerage services offered through the Company's subsidiaries. These businesses entail significant market, operational, credit, compliance, technology, legal and other risks that could materially adversely impact the Company's results of operations.

Reputational Risks

Negative public opinion could damage the Company's reputation and adversely impact business and revenues.

Truist's earnings and capital are subject to risks associated with negative public opinion. Negative public opinion could result from the Company's actual or alleged conduct in any number of activities, including lending, sales and other operating practices, corporate governance, acquisitions, a breach of client or teammate information, the failure of any product or service sold to meet clients' expectations or applicable regulatory requirements. Negative public opinion could adversely affect the Company’s ability to attract and retain clients and personnel and can result in litigation and regulatory actions. Actual or alleged conduct by one of the Company's businesses can result in negative public opinion about the Company's other businesses. Actual or alleged conduct by another financial institution can result in negative public opinion about the financial services industry in general and, as a result, adversely affect Truist.

Scrutiny of the Company's sales, training and incentive compensation practices could damage the Company’s reputation and adversely impact business and revenues.

The Company may face increased scrutiny of the Company's sales and other business practices, training practices, incentive compensation design and governance, and quality assurance and client complaint resolution practices. There can be no assurance that the Company's processes and actions will meet regulatory standards or expectations. Findings from self-identified or regulatory reviews may require responsive actions, including increased investments in compliance systems and personnel or the payment of fines, penalties, increased regulatory assessments or client redress and may increase legal or reputational risk exposures.

Operational Risks

Litigation may adversely affect the Company's results.

The Company is subject to litigation in the ordinary course of business. Claims and legal actions, including supervisory actions by the Company's regulators, could involve large monetary claims and significant defense costs. The outcome of litigation and regulatory matters as well as the timing of ultimate resolution are inherently difficult to predict.

Actual legal and other costs of resolving claims may be greater than the Company's legal reserves. The ultimate resolution of a pending legal proceeding, depending on the remedy sought and granted, could materially adversely affect the Company's results of operations and financial condition.

In addition, governmental authorities have, at times, sought criminal penalties against companies in the financial services sector for violations, and, at times, have required an admission of wrongdoing from financial institutions in connection with resolving such matters. Criminal convictions or admissions of wrongdoing in a settlement with the government can lead to greater exposure in civil litigation and reputational harm.

Substantial legal liability or significant regulatory action against the Company could have material adverse financial effects or cause significant reputational harm, which adversely impact the Company's business prospects. Further, the Company may be exposed to substantial uninsured liabilities, which could adversely affect the Company's results of operations and financial condition.

The Company may incur fines, penalties and other negative consequences from regulatory violations, including inadvertent or unintentional violations.

Truist maintains systems and procedures designed to ensure that it complies with applicable laws and regulations, but there can be no assurance that these will be effective. In addition to fines and penalties, the Company may suffer other negative consequences from regulatory violations including restrictions on certain activities, such as the Company's mortgage business, which may affect the Company's relationship with the GSEs and may also damage the Company's reputation and this in turn might materially affect the Company's business and results of operations.

Further, some legal frameworks provide for the imposition of fines or penalties for noncompliance even when the noncompliance was inadvertent or unintentional and even when there were systems and procedures in place designed to ensure compliance. For example, Truist is subject to regulations issued by OFAC that prohibit financial institutions from participating in the transfer of property belonging to the governments of certain foreign countries and designated nationals of those countries. OFAC may impose penalties for inadvertent or unintentional violations even if reasonable processes are in place to prevent the violations. Courts may uphold significant additional penalties on financial institutions, even where the financial institution had already reimbursed the government or other counterparties for actual losses.

Truist relies on other companies to provide key components of the Company's business infrastructure.

Third parties provide key components of the Company's business infrastructure, such as banking services, data processing, business processes, internet connections and network access. Any disruption in such services provided by these third parties or any failure of these third parties to handle current or higher volumes of use could adversely affect the Company's ability to deliver products and services to clients, to support teammates and otherwise to conduct business. Technological or financial difficulties of a third party service provider could adversely affect the Company's business to the extent those difficulties result in the interruption or discontinuation of services provided by that party. Further, in some instances, the Company may be responsible for failures of such third parties to comply with government regulations. The Company is not insured against all types of losses as a result of third party failures and insurance coverage may be inadequate to cover all losses resulting from system failures or other disruptions. Failures in the Company's business infrastructure could interrupt the operations or increase the costs of doing business.

Truist depends on the expertise of key personnel. If these individuals leave or change their roles without effective replacements, operations may suffer.

The Company's success depends, to a large degree, on the continued services of executive officers and other key personnel who have extensive experience in the industry. The Company's business could be adversely impacted from the loss of key persons or failure to manage a smooth transition to new personnel. These risks may be exacerbated as the Company continues to integrate processes and systems subsequent to the Merger.

The Company may not be able to hire or retain additional qualified personnel and recruiting and compensation costs may increase as a result of changes in the marketplace, which may increase costs and adversely impact the Company's ability to implement business strategies.

The Company's success depends upon the ability to attract and retain high performing, diverse and well-qualified personnel. The Company faces significant competition in the recruitment of highly motivated teammates that can deliver Truist's purpose, mission and values. The Company's ability to execute its business strategy and provide high quality service may suffer if the Company is unable to recruit or retain a sufficient number of qualified teammates or if the costs of employee compensation or benefits increase substantially. The U.S. banking agencies have jointly issued comprehensive guidance designed to ensure that incentive compensation policies do not undermine the safety and soundness of banking organizations by encouraging teammates to take imprudent risks. This guidance significantly affects the amount, form and context of incentive compensation to teammates. The FRB, FDIC, SEC and other federal regulatory agencies have jointly proposed rules, which would affect incentive compensation. These rules, which have been pending for several years, if finalized, may result in additional costs and restrictions on the form of the Company's incentive compensation.

The Company's framework for managing risks may not be effective.

The Company's risk management framework seeks to mitigate risk and loss. Truist has established policies, processes and procedures intended to identify, measure, monitor, report and analyze the types of risk to which the Company is subject, including liquidity, credit, market, operational, technology, reputational, legal, model and compliance risk, among others. However, the Company's risk management measures may not be fully effective in identifying and mitigating the Company's risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated, even if the models for assessing risk are properly designed and implemented. Some of the Company’s methods of managing risk are based upon the Company's use of observed historical market behavior and management's judgment. These methods may not accurately predict future exposures, which could be significantly greater than historical measures indicate. If the Company's risk management framework proves ineffective, it could suffer unexpected losses and could be materially adversely affected.

There are risks resulting from the extensive use of models in Truist's business, which may impact decisions made by Management and regulators.

Truist relies on quantitative models to measure risks and to estimate certain financial values. Models may be used in such processes as determining the pricing of various products, grading loans and extending credit, measuring interest rate and other market risks, predicting or estimating losses, assessing capital adequacy and calculating economic and regulatory capital levels, as well as estimating the value of financial instruments and balance sheet items.

Poorly designed or implemented models present the risk that Truist's business decisions based on information incorporating model output would be adversely affected due to the inadequacy of that information. Also, information Truist provides to the public or to its regulators based on poorly designed or implemented models could be inaccurate or misleading. Some of the decisions that the regulators make, including those related to capital distributions to Truist's shareholders, could be adversely affected due to the perception that the quality of the models used to generate the relevant information is insufficient.

The Company is at risk of increased losses from fraud.

Criminals committing fraud increasingly are using more sophisticated techniques and in some cases, are a part of larger criminal organizations, which allow them to be more effective. Fraudulent activity has taken many forms and escalates as more tools for accessing financial services emerge, such as real-time payments. Fraud schemes are broad and continuously evolving and include such things as debit card/credit card fraud, check fraud, mechanical devices attached to ATM machines, social engineering and phishing attacks to obtain personal information or impersonation of the Company's clients through the use of falsified or stolen credentials.

In addition, individuals or business entities may properly identify themselves, yet seek to establish a business relationship for the purpose of perpetrating fraud. Increased deployment of technologies, such as chip card technology, defray and reduce aspects of fraud; however, criminals are turning to other sources to steal personally identifiable information, such as unaffiliated healthcare providers and government entities, in order to impersonate the consumer to commit fraud. Further, as a result of the increased sophistication of fraud activity, the Company has increased spending on systems, resources and controls to detect and prevent fraud, as well as increased spending to provide certain credit monitoring and identity theft protection services to the Company's consumer clients. This will result in continued ongoing investments in the future.

The Company's operational or security systems or infrastructure or those of third parties, could fail or be breached, which could disrupt the Company's business and adversely impact the Company's results of operations, liquidity and financial condition, as well as cause legal or reputational harm.

The potential for operational risk exposure exists throughout the Company's business and, as a result of the Company's interactions with and reliance on third parties, is not limited to the Company's own internal operational functions. The Company's operational and security systems and infrastructure, including computer systems, data management and internal processes, as well as those of third parties, are integral to the Company's performance. Truist teammates and third parties may expose the Company to risk as a result of human error, misconduct, malfeasance, or a failure or breach of systems and infrastructure. For example, the Company's ability to conduct business may be adversely affected by any significant disruptions, including to third parties with whom the Company interacts with or relies upon.

Natural disasters and other catastrophic events could have a material adverse impact on the Company's operations or the Company's financial condition and results.

The occurrence of catastrophic weather events or pandemics could adversely affect the Company's financial condition or results of operations. Truist has significant operations and clients along the Gulf and Atlantic coasts as well as other regions of the U.S., which could be adversely impacted by hurricanes, tornadoes and other severe weather in those areas. Truist's clients could also be disrupted by the physical effects of climate change, which may become more frequent and intense. Natural and other types of disasters, including as a result of climate change, could have an adverse impact on Truist's businesses in that such events could materially disrupt the Company's operations or the ability or willingness of the Company's clients to access the financial services offered, including adverse impacts on the Company's borrowers to timely repay their loans and the value of any collateral held. These events could reduce the Company's earnings and cause volatility in the Company's financial results for any fiscal quarter or year and have a material adverse effect on the Company's financial condition and results of operations.

Although Truist has business continuity plans and other safeguards in place, the Company's operations and communications may be adversely affected by natural disasters or other catastrophic events and there can be no assurance that such business continuity plans will be effective.

Truist may be impacted by the soundness of other financial institutions.

The Company's ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty and other relationships. Truist has exposure to many different industries and counterparties and routinely executes transactions with counterparties in the financial industry, including brokers and dealers, central counterparties, commercial banks, investment banks, mutual and hedge funds and other institutional investors and clients. As a result, defaults by, or even rumors or questions about, one or more financial services institutions or the financial services industry generally, in the past have led to market-wide liquidity problems and could lead to losses or defaults by Truist or by other institutions. Many of these transactions expose the Company to credit risk in the event of default of the Company's counterparty or client. In addition, the Company's credit risk may be exacerbated when the collateral held by Truist cannot be liquidated or is liquidated at prices not sufficient to recover the full amount of the Company's exposure. Any such losses could materially and adversely affect the Company's results of operations and financial condition.

Truist depends on the accuracy and completeness of information about clients and counterparties.

In deciding whether to extend credit or enter into other transactions with clients and counterparties, Truist relies on the completeness and accuracy of representations made by and information furnished by or on behalf of clients and counterparties, including financial statements and other financial information. If the information provided is not accurate or complete, the Company's decisions about extending credit or entering into other transactions with clients or counterparties could be adversely affected and the Company could suffer defaults, credit losses or other negative consequences as a result.

The Company's accounting policies and processes are critical to how it reports the Company's financial condition and results of operations. They require management to make estimates about matters that are uncertain.

Accounting policies and processes are fundamental to how the Company records and reports its financial condition and results of operations. Some of these policies require the use of estimates and assumptions that may affect the value of the Company's assets or liabilities and financial results. Several of the Company's accounting policies are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain and because it is likely that materially different amounts would be reported under different conditions or using different assumptions. If assumptions or estimates underlying the Company's financial statements are incorrect or are adjusted periodically, the Company may experience material losses.

Management has identified certain accounting policies as being critical because they require management's judgment to ascertain the valuations of assets, liabilities, commitments and contingencies. A variety of factors could affect the realization of income and expense or the recognition of assets and liabilities in the Company's financial statements. Truist has established detailed policies and control procedures that are intended to ensure these critical accounting estimates and judgments are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Due to the uncertainty surrounding the Company's judgments and the estimates pertaining to these matters, the Company cannot guarantee that adjustments to accounting policies or restatement of prior period financial statements will not be required.

Further, from time to time, the FASB and SEC change the financial accounting and reporting standards that govern the preparation of the Company's financial statements. In addition, accounting standard setters and those who interpret the accounting standards may change or even reverse their previous interpretations or positions on how these standards should be applied. Changes in financial accounting and reporting standards and changes in current interpretations may be beyond the Company's control, can be hard to predict and could materially affect how the Company reports its financial results and condition. In some cases, the Company could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements.

Depressed market values for the Company's stock and adverse economic conditions sustained over a period of time may require the Company to write down all or some portion of the Company's goodwill.

Goodwill is periodically tested for impairment by comparing the fair value of each reporting unit to its carrying amount. If the fair value is greater than the carrying amount, then the reporting unit's goodwill is deemed not to be impaired. The fair value of a reporting unit is impacted by the reporting unit's expected financial performance and susceptibility to adverse economic, regulatory and legislative changes. Future adverse changes in economic conditions or expected financial performance may cause the fair value of a reporting unit to be below its carrying amount, resulting in goodwill impairment. The estimated fair values of the individual reporting units are assessed for reasonableness by reviewing a variety of indicators, including comparing these estimated fair values to the Company's market capitalization over a reasonable period of time. While this comparison provides some relative market information about the estimated fair value of the reporting units, it is not determinative and needs to be evaluated in the context of the current economic environment. However, significant and sustained declines in the Company's market capitalization could be an indication of potential goodwill impairment. Refer to the "Critical Accounting Policies" section for additional details related to the Company's intangible assets policy.

Certain banking laws and certain provisions of the Company's articles of incorporation may have an anti-takeover effect.

Provisions of federal banking laws, including regulatory approval requirements, could make it difficult for a third party to acquire the Company, even if doing so would be perceived to be beneficial to the Company's owners. Acquisition of certain amounts of any class of voting stock of a BHC or depository institution, including shares of the Company's common stock, may create a rebuttable presumption that the acquirer "controls" the BHC or depository institution and thus, unless the acquirer is able to rebut this presumption, it would be subject to various laws and regulations applicable to a BHC. Also, a BHC must obtain the prior approval of the FRB before, among other things, acquiring direct or indirect ownership or control of more than 5% of the voting shares of any bank, including Truist Bank.

There also are provisions in the Company's amended and restated articles of incorporation and amended and restated bylaws, such as limitations on the ability to call a special meeting of the Company's shareholders, that may be used to delay or block a takeover attempt. In addition, the Company's Board will be authorized under the Company's amended and restated articles of incorporation to issue shares of the Company's preferred stock and to determine the rights, terms, conditions and privileges of such preferred stock, without shareholder approval. These provisions may effectively inhibit a non-negotiated merger or other business combination.

Technology Risks

The Company faces cybersecurity risks, including denial of service, hacking and social engineering attacks that could result in the disclosure of confidential information, adversely affect the Company's operations or reputation and create significant legal and financial exposure.

The Company's computer systems and network infrastructure and those of third parties are frequently targeted in cyber-attacks, such as denial of service attacks, hacking, malware intrusion, data corruption attempts, terrorist activities or identity theft. The Company's business relies on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information in the Company's information systems and that of third parties. In addition, to access the Company's network, products and services, the Company's clients and other third parties may use personal mobile devices or computing devices that are outside of the Company's network environment and can introduce added cybersecurity risks.

Truist and Truist's clients, regulators and other third parties, including other financial services institutions and companies engaged in data processing, have been subject to and are likely to continue to be the target of, cyber-attacks. Cyber-attacks may expose security vulnerabilities in the Company's systems or the systems of third parties or other security measures that could result in the unauthorized gathering, monitoring, misuse, release, loss or destruction of confidential, proprietary or sensitive information. A cyber-attack could also damage the Company's systems by introducing material disruptions to the Company's or the Company's clients' or other third parties' network access or business operations. As cyber threats continue to evolve, the Company may be required to expend significant additional resources to continue to modify or enhance the Company's protective measures or to investigate and remediate any information security vulnerabilities or incidents. Despite efforts to ensure the integrity of the Company's systems and implement controls, processes, policies and other protective measures, the Company may not be able to anticipate all security breaches, nor may the Company be able to implement sufficient preventive measures against such security breaches, which may result in material losses or consequences to Truist.

Cybersecurity risks for financial institutions have significantly increased in recent years in part because of the proliferation of new technologies to facilitate and conduct financial transactions. For example, cybersecurity risks may increase in the future as Truist continues to expand its mobile-payment and internet-based product offerings and expand the Company's internal usage of web-based products and applications. In addition, cybersecurity risks have significantly increased in recent years in part due to the increased sophistication and activities of organized crime affiliates, terrorist organizations, hostile foreign governments, disgruntled teammates or vendors, activists and other external parties, including those involved in corporate espionage. Even the most advanced internal control environment may be vulnerable to compromise. Persistent attackers may succeed in penetrating defenses given enough resources, time and motive. The techniques used by cyber criminals change frequently, and may not be recognized until launched or well after a breach has occurred. In addition, the existence of cyber-attacks or security breaches at third party vendors with access to the Company's data may not be disclosed in a timely manner.

The Company also faces indirect technology, cybersecurity and other operational risks relating to clients and other third parties that the Company relies upon to facilitate or enable business activities, including, financial counterparties, regulators and providers of critical infrastructure such as internet access and electrical power. In addition, Truist faces cybersecurity and other operational risks relating to the Merger, including increased phishing attacks on teammates, increased network perimeter scanning by attackers searching for vulnerabilities and domain name squatting. Further, as a result of increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber-attack or other information or security breach that significantly degrades, deletes, or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants. This consolidation, interconnectivity and complexity increases the risk of operational failure, on both individual and industry-wide bases, as disparate systems need to be integrated, often on an accelerated basis. Any third party technology failure, cyber-attack, other information or security breach, termination, or constraint could, among other things, adversely affect the Company's ability to conduct transactions, service the Company's clients, manage the Company's exposure to risk or expand the Company's business.

The public perception that a cyber-attack on the Company's systems has been successful, whether or not this perception is correct, may damage the Company's reputation with clients and third parties with whom the Company does business. Hacking of personal information and identity theft risks, in particular, could cause serious reputational harm. A successful penetration or circumvention of system security could cause serious negative consequences, including loss of clients and business opportunities; costs associated with maintaining business relationships after an attack or breach; significant disruption to the Company's operations and business; misappropriation, exposure or destruction of the Company's confidential information, intellectual property, funds and those of the Company's clients; or damage to the Company's or the Company's clients' or third parties' computers or systems and could result in a violation of applicable privacy laws and other laws. This could result in litigation exposure, regulatory fines, penalties, loss of confidence in the Company's security measures, reputational damage, reimbursement or other compensatory costs, additional compliance costs, which could adversely impact the Company's results of operations, liquidity and financial condition. In addition, the Company may not have adequate insurance coverage to compensate for losses from a cybersecurity event.

Truist will continually encounter technological change and must effectively develop and implement new technology.

The financial services industry is undergoing rapid technological change with frequent introductions of new technology-driven products and services. Truist has invested in technology and connectivity to automate functions previously performed manually, to facilitate the ability of clients to engage in financial transactions and otherwise to enhance the client experience with respect to the Company's products and services. Truist expects to make additional investments in innovation and technology to address technological disruption in the industry and improve client offerings and service. These changes allow the Company to better serve the Company's clients and to reduce costs.

The Company’s continued success depends, in part, upon the Company’s ability to address clients’ needs by using technology to provide products and services that satisfy client demands, including demands for faster and more secure payment services, to create efficiencies in the Company’s operations and to integrate those offerings with legacy platforms or to update those legacy platforms. A failure to maintain or enhance the Company’s competitive position with respect to technology, whether because of a failure to anticipate client expectations, a failure in the performance of technological developments or an untimely roll out of developments, may cause the Company to lose market share or incur additional expense.

ITEM 2. PROPERTIES

Truist’s owns its headquarters building at 214 North Tryon Street, Charlotte, NC, 28202. Truist owns or leases free-standing operations centers, with its primary operations and information technology centers located in various locations in the Southeastern and Mid-Atlantic United States. Truist owns or leases retail branches and other offices in a number of states, primarily concentrated in the Southeastern and Mid-Atlantic United States. See Table 2 for a list of Truist's branches by state. Truist also operates numerous insurance agencies and other businesses that occupy facilities throughout the U.S. and Canada. Management believes that these premises are well-located and suitably equipped to serve as financial services facilities. See "Note 6. Premises and Equipment" for additional disclosures related to properties and other fixed assets.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Truist's common stock is traded on the NYSE under the symbol "TFC." As of December 31, 2020, Truist's common stock was held by 92,600 registered shareholders.

Common Stock, Dividends and Share Repurchases

Truist's ability to pay dividends is primarily dependent on earnings from operations, the adequacy of capital and the availability of liquid assets for distribution and is subject to its capital plan meeting the SCB requirements from the FRB. Truist's ability to generate liquid assets for distribution is dependent on the ability of Truist Bank to pay dividends to the Parent Company. The payment of cash dividends is an integral part of providing a competitive return on shareholders' investments and needs to be balanced with maintaining sufficient capital to support future growth and meet regulatory requirements.

Management's target common dividend payout ratio (computed by dividing common stock dividends by net income available to common shareholders) is between 30% and 50% during normal economic conditions. Truist's common dividend payout ratio was 58.0% in 2020 compared to 43.2% in 2019 and 39.3% in 2018. Management's target total payout ratio (computed by dividing the sum of common stock dividends declared and share repurchases, excluding shares repurchased in connection with equity awards, by net income available to common shareholders) is between 30% and 80% during normal economic conditions. Truist may consider higher total distributions based on its capital position, earnings and prevailing economic conditions. The total payout ratio was 58.0%, 43.2% and 78.7% in 2020, 2019 and 2018, respectively.

Truist expects common dividend declarations, if made, to occur in January, April, July and October with payment dates on or about the first of March, June, September and December. A discussion of dividend restrictions is included in "Note 17. Regulatory Requirements and Other Restrictions" and in the "Regulatory Considerations" section.

Share Repurchases

Truist has periodically repurchased shares of its own common stock. In accordance with North Carolina law, repurchased shares cannot be held as treasury stock, but revert to the status of authorized and unissued shares upon repurchase. Repurchases may be effected through open market purchases, privately negotiated transactions, trading plans established in accordance with SEC rules or other means. The timing and exact amount of repurchases are subject to various factors, including the Company's capital position, liquidity, financial performance, alternative uses of capital, stock trading price and general market conditions, and may be suspended at any time. Shares repurchased constitute authorized but unissued shares of the Company and are therefore available for future issuances. During 2020, the Company had no common stock repurchases, except shares exchanged or surrendered in connection with the exercise of equity-based awards under equity-based compensation plans.

In December 2020, Truist announced that its Board of Directors had authorized the repurchase of up to $2.0 billion of the Company's common stock, beginning in the first quarter of 2021, consistent with recent FRB capital restriction guidance, to optimize Truist's capital position.

Table 6: Share Repurchase Activity

(Dollars in millions, except per share data, shares in thousands)	Total Shares Repurchased (1)	Average Price Paid Per Share (2)	Total Shares Repurchased Pursuant to Publicly-Announced Plan	Maximum Remaining Dollar Value of Shares Available for Repurchase Pursuant to Publicly-Announced Plan
November 2020	4	$ 43.47	—	$ —
December 2020	—	47.93	—	2,000
Total	4	43.64	—	

(1) Includes shares exchanged or surrendered in connection with the exercise of equity-based awards under equity-based compensation plans.
(2) Excludes commissions.

Preferred Stock

Issuances

During 2020, Truist issued $3.5 billion in series O, series P, series Q and series R preferred stock, gross of issuance cost, to further strengthen its capital position. During 2019, the Company issued $1.7 billion of series N non-cumulative perpetual preferred stock.

Upon closing of the Merger, each outstanding share of SunTrust perpetual preferred stock was converted into the right to receive one share of an applicable newly issued series of Truist preferred stock having substantially the same terms as such share of SunTrust preferred stock. The Company issued series I, J, K, L and M non-cumulative perpetual preferred stock with a total par and fair value of $2.0 billion on the Merger closing date.

Redemptions

Early in 2021, the Company announced the forthcoming redemption of all 18,000 outstanding shares of its perpetual preferred stock series F and the corresponding depositary shares representing fractional interests in such series for $450 million and all 20,000 outstanding shares of its perpetual preferred stock series G and the corresponding depositary shares representing fractional interests in such series for $500 million.

During 2020, the Company redeemed all 5,000 outstanding shares of its perpetual preferred stock series K and the corresponding depositary shares representing fractional interests in such series for $500 million plus any unpaid dividends. The preferred stock redemption was in accordance with the terms of the Company's Articles of Amendment to its Articles of Incorporation, effective as of December 6, 2019.

During 2019, the Company redeemed all 23,000 outstanding shares of series D and 46,000 outstanding shares of series E non-cumulative perpetual preferred stock and the corresponding depositary shares representing fractional interests in each such series for $1.7 billion. In connection with the redemptions, net income available to common shareholders was reduced by $46 million to recognize the difference in the redemption price and the carrying value.

See "Note 12. Shareholders' Equity" for information about preferred stock and "Note 2. Business Combinations" for additional information related to the Merger.

Equity Compensation Plan Information

In connection with the Merger, each outstanding heritage SunTrust equity award granted under heritage SunTrust's equity compensation plans was converted into a corresponding award with respect to Company common stock, with the number of shares underlying such award (and, in the case of stock options, the applicable exercise price) adjusted based on the exchange ratio. Each such converted Company equity award will continue to be subject to the same terms and conditions as applied to the corresponding heritage SunTrust equity award, except that, in the case of heritage SunTrust performance stock unit awards, the number of shares underlying the converted Company equity award was determined based on actual performance through September 30, 2019 and target performance for the balance of the applicable performance period and such award will continue to vest after the Merger solely based on continued service. The following table provides information concerning securities to be issued upon the exercise of outstanding equity-based awards as of December 31, 2020:

Table 7: Equity Compensation Plan Information

Plan Category	(a)(1)(2) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b)(3) Weighted-average exercise price of outstanding options, warrants and rights	(c)(4) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in (a))
Approved by security holders	13,220,891	$ 32.20	8,876,596
Not approved by security holders	7,469,504	20.60	10,938,274
Total	20,690,395	$ 29.22	19,814,870

(1) Includes 11,286,223 RSUs and PSUs in plans approved by security holders.
(2) Plans not approved by security holders consists of 668,015 options outstanding with a weighted average exercise price of $20.60 and 6,801,489 RSUs for plans that were assumed in mergers and acquisitions.
(3) Excludes RSUs and PSUs because they do not have an exercise price.
(4) Plans not approved by security holders consists of shares of common stock issuable pursuant to the 2012 Incentive Plan, as amended, in respect of shares reserved for issuance under the SunTrust Banks, Inc. 2018 Omnibus Incentive Compensation Plan, which share reserve was assumed by the Company on December 6, 2019 in connection with the Merger. Awards with respect to such shares may only be granted to heritage SunTrust teammates.

Performance Graph

The following graph and table compares the cumulative total returns (assuming concurrent $100 initial investments as of December 31, 2015 and reinvestment of dividends without commissions) of Truist common stock, the S&P 500 Index and an industry peer group. The companies in the peer group are Bank of America Corporation, Citizens Financial Group, Inc., Fifth Third Bancorp, JPMorgan Chase & Co, KeyCorp, M&T Bank Corporation, The PNC Financial Services Group, Inc., Regions Financial Corporation, U.S. Bancorp and Wells Fargo & Company.

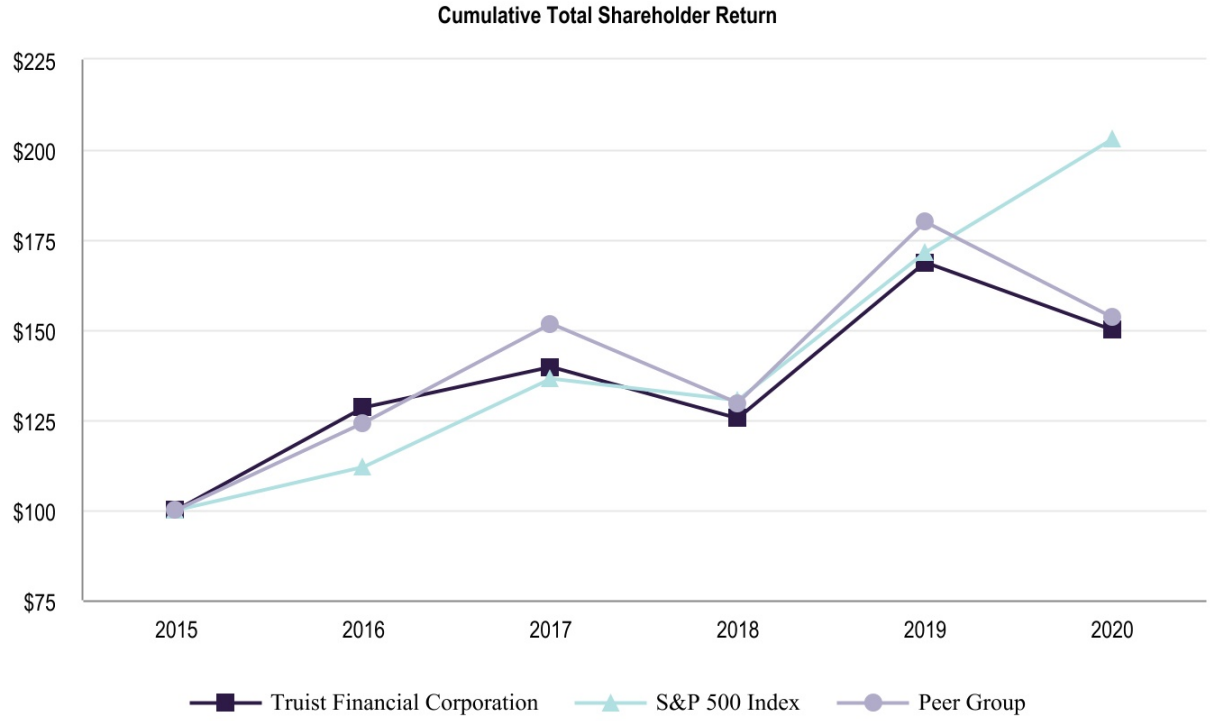


Table 8: Cumulative Total Shareholder Return

	Invested	Cumulative Total Return				
As of / Through December 31,	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Truist Financial Corporation	$ 100.00	$ 128.47	$ 139.62	$ 125.35	$ 168.62	$ 149.85
S&P 500 Index	100.00	111.95	136.38	130.39	171.44	202.96
Peer Group	100.00	124.02	151.70	129.52	179.98	153.29

ITEM 6. SELECTED FINANCIAL DATA

As of/ For the Year Ended December 31, (Dollars in millions, except per share data, shares in thousands)	2020	2019	2018	2017	2016
Summary Income Statement:					
Revenue -TE (1)	$ 22,830	$ 12,664	$ 11,654	$ 11,476	$ 10,953
Less: TE adjustment (2)	125	96	96	159	160
Revenue-reported (1)	22,705	12,568	11,558	11,317	10,793
Provision for credit losses	2,335	615	566	547	572
Noninterest expense	14,897	7,934	6,932	7,444	6,721
Income before income taxes	5,473	4,019	4,060	3,326	3,500
Provision for income taxes	981	782	803	911	1,058
Net income	4,492	3,237	3,257	2,415	2,442
Noncontrolling interest	10	13	20	21	16
Preferred stock dividends	298	196	174	174	167
Net income available to common shareholders	4,184	3,028	3,063	2,220	2,259
Per Common Share:					
Basic EPS	$ 3.11	$ 3.76	$ 3.96	$ 2.78	$ 2.81
Diluted EPS	3.08	3.71	3.91	2.74	2.77
Cash dividends declared	1.80	1.71	1.56	1.26	1.15
Common shareholders' equity	46.52	45.66	35.46	34.01	33.14
Average Balances:					
Total assets	$ 499,085	$ 247,494	$ 222,273	$ 221,065	$ 218,945
Securities, at amortized cost (3)	83,227	50,645	47,100	46,029	46,279
Loans and leases (4)	314,501	161,604	146,417	144,075	141,759
Deposits	363,293	173,269	157,483	159,241	157,469
Long-term debt	45,793	24,756	23,755	21,660	22,791
Shareholders' equity	68,024	34,108	29,743	30,001	29,355
Period-End Balances:					
Total assets	$ 509,228	$ 473,078	$ 225,697	$ 221,642	$ 219,276
Securities (5)	120,788	74,727	45,590	47,574	43,606
Loans and leases (4)	305,793	308,215	150,001	144,800	145,038
Deposits	381,077	334,727	161,199	157,371	160,234
Long-term debt	39,597	41,339	23,709	23,648	21,965
Shareholders' equity	70,912	66,558	30,178	29,695	29,926
Selected Ratios:					
NIM	3.22%	3.42%	3.46%	3.46%	3.39%
Rate of return on:					
Average total assets	0.90	1.31	1.47	1.09	1.12
Average common shareholders' equity	6.82	9.87	11.50	8.25	8.57
Average total shareholders' equity	6.60	9.49	10.95	8.05	8.32
Average total shareholders' equity to average total assets	13.63	13.78	13.38	13.57	13.41

(1) Revenue is defined as net interest income plus noninterest income.
(2) TE adjustment is based on the federal income tax rate.
(3) Include AFS and HTM securities.
(4) Loans and leases are net of unearned income and include LHFS.
(5) Includes AFS securities at fair value and HTM securities at amortized cost.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This 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 and accompanying Notes to the Consolidated Financial Statements in this Form 10-K, as well as with the other information contained in this document. Truist's financial results for 2020 reflect the first full calendar year of operations of the combined Company. Results for 2019 reflect heritage BB&T results prior to the completion of the Merger on December 6, 2019, and Truist results from the Merger closing date forward. For discussion of 2019 results as compared to 2018 results, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Annual Report on Form 10-K for the year ended December 31, 2019.

Executive Overview

Despite the challenges Truist and its clients faced in 2020, significant progress was made on integration and conversion efforts during the year. Below is an overview on progress in a few key areas.

Integration Efforts

Truist completed the Merger on December 6, 2019, and made significant progress on integration and conversion efforts in 2020. Some milestones include unveiling Truist's purpose, mission, and values; launching the Truist brand and visual identity; completing the purchase of Truist Center, the new corporate headquarters in Charlotte, NC; launching Truist social media platforms; announcing brand conversions for several business units including Truist Insurance, Truist Securities, and Truist Leadership Institute; launching Truist Foundation and Truist Ventures; beginning early migrations for the mortgage business; and introducing the blended branch program. Recent highlights include:

- Completed the job regrading initiative for all teammates.
- Activated Integrated Relationship Management.
- Migrated correspondent mortgage lenders to the Truist origination ecosystem.
- Executed numerous corporate function integration activities across Audit, Risk, Legal and Finance.
- Truist reaffirmed its commitment to achieving $1.6 billion in net cost saves on a run rate basis by the fourth quarter of 2022.

Supporting Clients

Truist acted swiftly to support clients, teammates and communities in response to the COVID-19 pandemic last year and continues to support these stakeholders. Truist is actively helping clients impacted by COVID-19, providing payment relief assistance for credit cards, personal loans, auto loans, home equity lines of credit, and residential mortgages. Truist was one of the largest lenders of PPP loans in 2020 and remains committed to helping small businesses get access to emergency funds for first and second-draw PPP loans. Truist is working closely with clients, providing resources and guidance to ensure a smooth and efficient experience from application to funding and forgiveness. The carrying value of PPP loans was $11.0 billion as of December 31, 2020.

Supporting Teammates

Through the challenges faced, Truist's concern for teammates and their families remains a top priority. Truist provided over $100 million in special COVID-19 support to teammates, including bonuses, special reimbursement for childcare and an increase in emergency child- and elder-care benefits, enhanced onsite pay, and steps to enhance wellness and family support. Truist released its first Corporate Social Responsibility report, which included a commitment to increasing the number of racially and ethnically diverse teammates among senior leadership positions from approximately 12% to at least 15%. Truist is also committed to ensuring regular, ongoing pay equity reviews for teammates. On the topic of racial inequity, Truist hosted more than 260 "Days of Understanding" sessions designed to encourage bold dialogue on real world topics in an open, trusting environment. The Company also rolled out enhanced unconscious bias training for teammates and Executive Leadership.

Supporting Communities

In response to COVID-19 in 2020, the Company launched Truist Cares, providing a total of $50 million in philanthropic support to aid charities meeting basic needs, furnishing medical supplies and addressing financial hardships across the nation, and have provided a total of 355 grants to community partners.

Truist is committed to addressing racial and social inequity and has taken a number of actions to expand efforts towards advancing equity, economic empowerment and education for clients, communities and teammates.

In 2020, Truist provided $78 million to support historically underrepresented communities, including a $40 million initial donation to help establish CornerSquare Community Capital made through the Truist Foundation, Inc. and the Truist Charitable Fund, and approximately $20 million over three years to develop and strengthen partnerships, programs, and scholarships that benefit historically black colleges and universities and their students. The Company increased financial resources for low- and moderate-income communities through a $60 billion Community Benefits Plan from 2020-2022 to support home ownership, small business growth and community revitalization.

Financial Results

Net income available to common shareholders totaled $4.2 billion for 2020, a 38.2% increase from the prior year. On a diluted per common share basis, earnings for 2020 were $3.08, compared to $3.71 for 2019. Truist's results of operations for 2020 produced a return on average assets of 0.90% and a return on average common shareholders' equity of 6.82% compared to prior year ratios of 1.31% and 9.87%, respectively. Results include merger-related and restructuring charges of $860 million ($660 million after-tax) for 2020 compared to $360 million ($285 million after-tax) for 2019, and incremental operating expenses related to the Merger of $534 million ($409 million after-tax) for 2020 compared to $164 million ($127 million after-tax) for 2019. Additionally, the 2020 results include a loss on extinguishment of debt of $235 million ($180 million after-tax) and charitable contributions of $50 million ($38 million after-tax), offset by securities gains of $402 million ($308 million after-tax). The 2019 results include securities losses of $116 million ($90 million after-tax), a reduction in net income available to common shareholders of $46 million arising from the redemption of preferred stock, partially offset by a $14 million after-tax net gain from the sale of residential mortgage loans.

Truist's revenue for 2020 was $22.7 billion. On a TE basis, revenue was $22.8 billion, which represents an increase of $10.2 billion compared to 2019. Net interest income on a TE basis was $14.0 billion, an increase of $6.5 billion compared to the prior year, which reflects a $6.2 billion increase in interest income and a $374 million decrease in interest expense. The increase in net interest income was due primarily to a $152.9 billion increase in average outstanding loans, a $32.6 billion increase in average securities, partially offset by a 78 basis point decrease in earning asset yields.

NIM was 3.22% for 2020, down 20 basis points compared to the prior year. Average earning assets increased $217.2 billion or 100.4%, while average interest-bearing liabilities increased $153.7 billion or 101.8%, and noninterest-bearing deposits increased $59.1 billion or 106.4%. The TE yield on the total loan portfolio for 2020 was 4.33%, down 66 basis points compared to the prior year. The TE yield on the average securities portfolio was 2.09%, down 53 basis points compared to the prior year. The average cost of interest-bearing deposits was 0.32%, down 61 basis points compared to the prior year. The average cost of total deposits was 0.22%, down 42 basis points compared to the prior year.

The provision for credit losses was $2.3 billion, compared to $615 million for the prior year. Net charge-offs were $1.1 billion, compared to $634 million for the prior year. Asset quality ratios were relatively stable at December 31, 2020 compared to the prior year, reflecting diversification benefits of the Merger and effective problem asset resolution. The ratio of the ALLL to net charge-offs was 5.21X for 2020, compared to 2.44X in 2019, reflecting the CECL adoption build, as well as a reserve build in 2020 in connection with COVID-19 and the economic downturn. NPAs increased $703 million year over year, primarily due to PCI loans that would have been classified as nonperforming at December 31, 2019 and loans exiting certain accommodation programs related to the CARES Act.

Noninterest income increased $3.6 billion for the year with nearly all categories of noninterest income being impacted by the Merger. Additional increases in noninterest income were primarily due to higher insurance income driven by improved production levels and acquisitions. Noninterest expense increased $7.0 billion for the year. Excluding merger-related and restructuring charges, incremental operating expenses related to the Merger, the loss on extinguishment of debt, charitable contribution and the impact of an increase of $521 million of amortization expense for intangibles, noninterest expense increased $5.3 billion, primarily reflecting the impact of the Merger.

Truist's total assets at December 31, 2020 were $509.2 billion, an increase of $36.2 billion compared to December 31, 2019, reflecting a $46.1 billion increase in AFS securities, partially offset by an increase in ALLL of $4.3 billion, a decrease in LHFS of $2.3 billion and a decrease in other assets of $1.2 billion.

Total liabilities at December 31, 2020 were $438.3 billion, an increase of $31.8 billion from the prior year, reflecting an increase of $46.4 billion in deposits, partially offset by a decrease of $12.1 billion in short-term borrowings. During 2020, the Company also issued $6.5 billion of senior and subordinated long-term debt.

Total shareholders' equity was $70.9 billion at December 31, 2020, up $4.4 billion compared to the prior year. The increase is due to net income in excess of dividends paid of $1.8 billion and OCI of $1.6 billion. During 2020, Truist issued $3.5 billion in preferred stock, gross of issuance costs, to further strengthen its capital position and redeemed $500 million of series K preferred stock. The increases in shareholders equity were partially offset by a $2.1 billion cumulative effect adjustment related to the adoption of CECL.

Truist maintained strong capital and liquidity in 2020. As of December 31, 2020, the CET1 ratio was 10.0% and the average LCR was 113%. Truist declared common dividends of $1.80 per share during 2020. The dividend and total payout ratios for 2020 were 58.0% compared to 43.2% for the prior year. In December 2020, Truist's Board of Directors authorized the repurchase of up to $2.0 billion of the company's common stock beginning in the first quarter of 2021, consistent with recent FRB capital restriction guidance. In early 2021, Truist declared common dividends of $0.450 per share for the first quarter of 2021.

Key Challenges

Truist's business is dynamic and complex. Consequently, management annually evaluates and, as necessary, adjusts the Company's business strategy in the context of the current operating environment. During this process, management considers the current financial condition and performance of the Company and its expectations for future economic activity from both a national and local market perspective. Achieving key strategic objectives and established long-term financial goals is subject to many uncertainties and challenges. In the opinion of management, the following challenges are the most likely to impact Truist's near to medium term performance:

- Activating the Company's culture of striving to make life better for clients, teammates and stakeholders;
- Achieving the benefits from the Merger, including anticipated synergies and cost savings;
- Managing the integration of systems and operations, while safeguarding the Company against external threats;
- Executing the Company's "T3 strategy" by focusing on personal touch and technology to engender trust and provide distinctive, secure and successful client experiences;
- Driving innovation and remaining attuned to evolving client preferences to succeed in an intensely competitive environment;
- Onboarding and retaining key personnel while maintaining safety protocols to protect clients, teammates and communities; and
- Navigating economic risks and actively managing credit exposures impacted by the COVID-19 pandemic.

In addition, certain other challenges and unforeseen events could have a near term impact on Truist's financial condition and results of operations. See the sections titled "Forward-Looking Statements" and "Risk Factors" for additional examples of such challenges.

Analysis of Results of Operations

Net Interest Income and NIM

2020 compared to 2019

The net interest margin was 3.22% for the year ended December 31, 2020, down 20 basis points compared to the earlier period. Average earning assets increased $217.2 billion, which primarily reflects a $152.9 billion increase in average total loans and leases, a $32.6 billion increase in average securities, a $28.4 billion increase in average other earning assets and a $3.4 billion increase in interest earning trading assets. Average interest-bearing liabilities increased $153.7 billion. Average interest-bearing deposits increased $131.0 billion, average long-term debt increased $21.0 billion and average short-term borrowings increased $1.7 billion. The significant increases in earnings assets and liabilities are primarily due to the Merger, as well as impacts from the COVID-19 pandemic and the resulting government stimulus programs.

The yield on the total loan portfolio for the year ended December 31, 2020 was 4.33%, down 66 basis points compared to the earlier period, reflecting the impact of rate decreases and deferred interest for loans granted an accommodation in connection with COVID-19, partially offset by purchase accounting accretion from merged loans. The yield on the average securities portfolio for the year ended December 31, 2020 was 2.09%, down 53 basis points compared to the earlier period primarily due to lower yields on new purchases and higher premium amortization. The average cost of total deposits was 0.22%, down 42 basis points compared to the earlier period. The average cost of interest-bearing deposits was 0.32%, down 61 basis points compared to the earlier period. The average rate on short-term borrowings was 1.35%, down 99 basis points compared to the earlier period. The average rate on long-term debt was 1.75%, down 147 basis points compared to the earlier period. The lower rates on interest-bearing liabilities reflect the lower rate environment. The lower rates on long-term debt also reflect the amortization of the fair value mark on the assumed debt and the issuance of new long-term debt.

As of December 31, 2020, the remaining unamortized fair value marks on the loan and lease portfolio, deposits and long-term debt were $2.4 billion, $19 million and $216 million, respectively. The remaining unamortized fair value mark on loans and leases consists of $1.1 billion for commercial loans and leases and $1.3 billion for consumer 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 9: Taxable-Equivalent Net Interest Income and Rate / Volume Analysis (1)

Year Ended December 31, (Dollars in millions)	Average Balances (5)			Yield/Rate			Income/Expense			2020 vs. 2019			2019 vs. 2018		
										Incr. (Decr.)	Change due to		Incr. (Decr.)	Change due to	
	2020	2019	2018	2020	2019	2018	2020	2019	2018		Rate	Volume		Rate	Volume
Assets															
Total securities, at amortized cost: (2)															
U.S. Treasury	$ 2,194	$ 2,644	$ 3,800	1.81 %	2.01 %	1.89 %	$ 40	$ 53	$ 72	$ (13)	$ (5)	$ (8)	$ (19)	$ 4	$ (23)
GSE	1,846	2,402	2,394	2.33	2.26	2.23	43	53	54	(10)	2	(12)	(1)	(1)	—
Agency MBS	78,564	44,710	39,559	2.07	2.59	2.45	1,625	1,161	969	464	(270)	734	192	59	133
States and political subdivisions	501	587	958	3.92	3.73	3.68	19	21	35	(2)	1	(3)	(14)	—	(14)
Non-agency MBS	86	269	349	16.81	14.05	11.93	15	38	42	(23)	6	(29)	(4)	7	(11)
Other	36	33	40	2.33	3.75	3.34	1	1	1	—	—	—	—	—	—
Total securities	83,227	50,645	47,100	2.09	2.62	2.49	1,743	1,327	1,173	416	(266)	682	154	69	85
Interest earning trading assets	4,655	1,277	633	3.62	2.02	3.82	168	26	24	142	33	109	2	(15)	17
Other earning assets (3)	31,240	2,888	1,618	0.50	2.89	2.63	156	83	43	73	(122)	195	40	5	35
Loans and leases, net of unearned income: (4)															
Commercial and industrial	141,850	67,435	59,663	3.39	4.25	3.98	4,801	2,868	2,374	1,933	(681)	2,614	494	169	325
CRE	27,410	17,651	16,994	3.32	4.79	4.67	914	849	798	65	(311)	376	51	21	30
Commercial Construction	6,659	4,061	4,441	3.72	5.23	4.79	243	208	209	35	(74)	109	(1)	19	(20)
Lease financing	5,753	2,443	1,917	4.38	3.44	3.19	252	84	61	168	28	140	23	5	18
Residential mortgage	51,423	31,668	29,932	4.51	4.08	4.05	2,320	1,291	1,212	1,029	148	881	79	9	70
Residential home equity and direct	26,951	12,716	11,860	6.03	5.97	5.41	1,625	759	641	866	8	858	118	70	48
Indirect auto	25,055	12,545	11,215	6.61	8.51	8.18	1,656	1,068	917	588	(282)	870	151	38	113
Indirect other	11,264	6,654	5,896	7.11	6.65	6.25	801	443	368	358	33	325	75	25	50
Student	7,596	460	—	4.62	5.20	—	351	24	—	327	(3)	330	24	—	24
Credit card	5,027	3,181	2,723	9.34	9.05	8.73	470	288	238	182	10	172	50	9	41
PCI	—	631	548	—	16.05	19.64	—	102	108	(102)	—	(102)	(6)	(21)	15
Total loans and leases HFI	308,988	159,445	145,189	4.35	5.01	4.77	13,433	7,984	6,926	5,449	(1,124)	6,573	1,058	344	714
LHFS	5,513	2,159	1,228	3.13	3.91	4.13	173	85	50	88	(20)	108	35	(3)	38
Total loans and leases	314,501	161,604	146,417	4.33	4.99	4.77	13,606	8,069	6,976	5,537	(1,144)	6,681	1,093	341	752
Total earning assets	433,623	216,414	195,768	3.61	4.39	4.20	15,673	9,505	8,216	6,168	(1,499)	7,667	1,289	400	889
Nonearning assets	65,462	31,080	26,505												
Total assets	$ 499,085	$ 247,494	$ 222,273												
Liabilities and Shareholders' Equity															
Interest-bearing deposits:															
Interest-checking	$ 94,879	$ 31,592	$ 26,951	0.23	0.62	0.43	216	197	116	19	(184)	203	81	59	22
Money market and savings	123,826	67,922	62,257	0.21	0.91	0.62	264	621	387	(357)	(664)	307	234	196	38
Time deposits	30,008	17,970	13,963	1.02	1.54	0.94	305	277	132	28	(115)	143	145	100	45
Foreign office deposits - interest-bearing	—	272	494	—	2.35	1.67	—	6	9	(6)	—	(6)	(3)	2	(5)
Total interest-bearing deposits (6)	248,713	117,756	103,665	0.32	0.93	0.62	785	1,101	644	(316)	(963)	647	457	357	100
Short-term borrowings	10,129	8,462	5,955	1.35	2.34	1.86	137	198	111	(61)	(95)	34	87	33	54
Long-term debt	45,793	24,756	23,755	1.75	3.22	2.88	800	797	683	3	(472)	475	114	84	30
Total interest-bearing liabilities	304,635	150,974	133,375	0.57	1.39	1.08	1,722	2,096	1,438	(374)	(1,530)	1,156	658	474	184
Noninterest-bearing deposits (6)	114,580	55,513	53,818												
Other liabilities	11,846	6,899	5,337												
Shareholders' equity	68,024	34,108	29,743												
Total liabilities and shareholders' equity	$ 499,085	$ 247,494	$ 222,273												
Average interest-rate spread				3.04 %	3.00 %	3.12 %									
NIM/net interest income				3.22 %	3.42 %	3.46 %	$ 13,951	$ 7,409	$ 6,778	$ 6,542	$ 31	$ 6,511	$ 631	$ (74)	$ 705
Taxable-equivalent adjustment							$ 125	$ 96	$ 96						

(1) 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.
(2) Total securities include AFS and HTM securities.
(3) Includes cash equivalents, interest-bearing deposits with banks, FHLB stock and other earning assets.
(4) Fees, which are not material for any of the periods shown, are included for rate calculation purposes. NPLs are included in the average balances.
(5) Excludes basis adjustments for fair value hedges.
(6) Total deposit costs were 0.22%, 0.64% and 0.41% for the years ended December 31, 2020, 2019 and 2018, respectively.

Provision for Credit Losses

2020 compared to 2019

The provision for credit losses was $2.3 billion, compared to $615 million for the earlier period. The increase in the provision for credit losses reflects the significant builds to the allowance for credit losses in the first and second quarters of the year due to increased economic stress associated with the pandemic and specific consideration of its impact on certain industries, as well as uncertainty related to performance after the expiration of relief packages and COVID-19, increased loan balances arising from the Merger and the effect of applying the CECL methodology in the current period compared to the incurred loss methodology in the earlier period.

Net charge-offs for the year ended December 31, 2020 were $1.1 billion, compared to $634 million for the earlier period. Higher net charge-offs also contributed to the increase in the provision for credit losses and primarily reflect increases as a result of the Merger. The net charge-off rate of 0.36% for the year ended December 31, 2020 was down four basis points compared to the earlier period.

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.

Table 10: Noninterest Income

Year Ended December 31, (Dollars in millions)	2020	2019	2018	% Change 2020 vs. 2019	% Change 2019 vs. 2018
Insurance income	$ 2,193	$ 2,072	$ 1,852	5.8 %	11.9 %
Wealth management income	1,277	715	660	78.6	8.3
Service charges on deposits	1,020	762	712	33.9	7.0
Residential mortgage income	1,000	285	258	NM	10.5
Investment banking and trading income	944	244	154	NM	58.4
Card and payment related fees	761	555	522	37.1	6.3
Lending related fees	315	124	99	154.0	25.3
Operating lease income	309	153	145	102.0	5.5
Commercial real estate related income	271	116	100	133.6	16.0
Income from bank-owned life insurance	179	129	116	38.8	11.2
Securities gains (losses)	402	(116)	3	NM	NM
Other income (loss)	208	216	255	(3.7)	(15.3)
Total noninterest income	$ 8,879	$ 5,255	$ 4,876	69.0	7.8

2020 compared to 2019

Noninterest income for the year ended December 31, 2020 increased $3.6 billion compared to the earlier period. The current period includes $402 million of net securities gains primarily from the sale of non-agency MBS in the second quarter of 2020 and agency MBS in the third quarter of 2020. The prior period includes $116 million of net securities losses from the sale of agency MBS. Excluding the net securities gains and losses, noninterest income increased $3.1 billion, with nearly all categories of noninterest income being impacted by the Merger. In addition to the impacts from the Merger, insurance income increased $121 million due to strong production and acquisitions. Service charges on deposits were up despite reduced overdraft incident rates and increased refunds and waivers to support clients impacted by the COVID-19 pandemic. Residential mortgage banking income was up due to strong production and refinance activity driven by the lower rate environment, partially offset by lower valuations of the mortgage servicing rights and increased amortization driven by higher prepayments speeds. Investment banking and trading income was up, but was negatively impacted by credit valuation adjustments on the derivatives portfolio primarily related to the decline in interest rates and widening of credit spreads.

Noninterest Expense

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

Table 11: Noninterest Expense

Year Ended December 31, (Dollars in millions)	2020	2019	2018	% Change 2020 vs. 2019	% Change 2019 vs. 2018
Personnel expense	$ 8,146	$ 4,833	$ 4,313	68.5 %	12.1 %
Professional fees and outside processing	1,252	433	365	189.1	18.6
Net occupancy expense	904	507	491	78.3	3.3
Software expense	862	338	272	155.0	24.3
Amortization of intangibles	685	164	131	NM	25.2
Equipment expense	484	280	267	72.9	4.9
Marketing and customer development	273	137	102	99.3	34.3
Operating lease depreciation	258	136	120	89.7	13.3
Loan-related expense	242	123	108	96.7	13.9
Regulatory costs	125	81	134	54.3	(39.6)
Merger-related and restructuring charges	860	360	146	138.9	146.6
Loss (gain) on early extinguishment of debt	235	—	—	NM	NM
Other expense	571	542	483	5.4	12.2
Total noninterest expense	$ 14,897	$ 7,934	$ 6,932	87.8	14.5

2020 compared to 2019

Noninterest expense for the year ended December 31, 2020 was up $7.0 billion compared to the earlier period. Merger-related and restructuring charges and other incremental operating expenses related to the Merger increased $500 million and $370 million, respectively. In addition, the current period was impacted by $235 million of losses on the early extinguishment of long-term debt and a $50 million charitable contribution to the Truist Charitable Fund. Excluding the items mentioned above and the impact of an increase of $521 million of amortization expense for intangibles, noninterest expense increased $5.3 billion, primarily reflecting the impact of the Merger. In addition to the impacts of the Merger, operating costs were elevated due to COVID-19, which resulted in approximately $250 million of expenses compared to the earlier period. This was primarily related to additional on-site pay and bonuses for certain teammates, net occupancy costs for enhanced cleaning and teammate support expenses. Additionally, personnel expenses increased as a result of the completion of a post-Merger reevaluation of job grades that resulted in additional salaries, incentives and equity-based compensation expenses.

Merger-Related and Restructuring Charges

Truist has incurred certain merger-related and restructuring charges, which include:

- severance and personnel-related costs or credits;
- occupancy and equipment charges or credits, which relate to costs or gains associated with lease terminations, obsolete equipment write-offs and the sale of duplicate facilities and equipment;
- professional services, which relate to legal and investment banking advisory fees and other consulting services pertaining to restructuring initiatives or transactions;
- systems conversion and related charges, which represent costs to integrate the entity's information technology systems;
- other merger-related and restructuring charges or credits, which include expenses necessary to convert and combine the acquired branches and operations of merged companies, direct media advertising related to the mergers and acquisitions, asset and supply inventory write-offs, and other similar charges; and
- write-offs related to exiting certain businesses.

Merger-related and restructuring accruals are established when the costs are incurred or once all requirements for a plan to dispose of or outsource certain business functions have been approved by management. Merger and restructuring accruals are re-evaluated periodically and adjusted as necessary. The remaining accruals at December 31, 2020 are generally expected to be utilized within one year, unless they relate to specific contracts that expire later.

The 2020 merger-related and restructuring costs primarily reflect higher charges as a result of the Merger, including costs for severance and other benefits and costs related to exiting facilities, while the 2019 costs primarily reflect branch closures and other restructuring initiatives.

The following table presents a summary of merger-related and restructuring charges and the related accruals:

Table 12: Merger-Related and Restructuring Accrual Activity

(Dollars in millions)	Accrual at Jan 1, 2019	Expense	Utilized	Accrual at Dec 31, 2019	Expense	Utilized	Accrual at Dec 31, 2020
Severance and personnel-related	$ 43	$ 149	$ (146)	$ 46	$ 232	$ (242)	$ 36
Occupancy and equipment	—	13	(13)	—	294	(294)	—
Professional services	1	102	(61)	42	238	(264)	16
Systems conversion and related costs	—	4	(4)	—	30	(30)	—
Other adjustments	—	92	(91)	1	66	(56)	11
Total (1)	$ 44	$ 360	$ (315)	$ 89	$ 860	$ (886)	$ 63

(1) The Company recognized $825 million and $298 million for the year ended December 31, 2020 and 2019, respectively, related to the Merger. At December 31, 2020 and 2019, the Company had an accrual of $50 million and $76 million related to the Merger, respectively. The remaining expense and accrual relate to other restructuring activities.

Segment Results

See "Note 21. Operating Segments" for additional disclosures related to Truist's operating segments, the internal accounting and reporting practices used to manage these segments and financial disclosures for these segments, including additional details related to results of operations.

Table 13: Net Income by Reportable Segment

Year Ended December 31, (Dollars in millions)	2020	2019	2018	% Change 2020 vs. 2019	% Change 2019 vs. 2018
Consumer Banking and Wealth	$ 3,059	$ 1,765	$ 1,435	73.3 %	23.0 %
Corporate and Commercial Banking	2,321	1,791	1,598	29.6	12.1
Insurance Holdings	407	318	253	28.0	25.7
Other, Treasury & Corporate	(1,295)	(637)	(29)	103.3	NM
Truist Financial Corporation	$ 4,492	$ 3,237	$ 3,257	38.8	(0.6)

2020 compared to 2019

Consumer Banking and Wealth

Consumer Banking and Wealth had 2,781 banking offices at December 31, 2020, a decrease of 177 offices compared to December 31, 2019. The decrease in offices was driven primarily by the consolidation of 104 branches leveraging the blended branch program strategy beginning in the fourth quarter, as well as 30 branches divested in the third quarter.

Consumer Banking and Wealth net income was $3.1 billion for 2020, an increase of $1.3 billion, or 73.3%, compared to 2019. Segment net interest income increased $4.2 billion primarily due to the Merger. Noninterest income increased $1.7 billion due primarily to the Merger and higher residential mortgage income as a result of the lower rate environment driving mortgage production through refinance activity, partially offset by lower residential mortgage servicing income driven by higher prepayment and an MSR fair value adjustment in 2020. The allocated provision for credit losses increased $491 million primarily due to the Merger. Noninterest expense increased $3.8 billion primarily due to operating expenses and amortization of intangibles related to the Merger and impacts from COVID-19 in 2020. The allocated provision for income taxes increased $378 million due primarily to higher pre-tax income.

Consumer Banking and Wealth average loans and leases held for investment increased $67.9 billion, or 94.9%, compared to 2019 driven primarily by the Merger. Average loan and leases HFI for residential mortgage, home equity and direct lending and indirect auto loans increased $19.8 billion, or 62.4%, $14.2 billion, or 111.6%, and $12.5 billion, or 99.7%, respectively.

Consumer Banking and Wealth average total deposits increased $119.5 billion, or 120.4%, compared to 2019 driven primarily by the Merger and COVID-19 stimulus impacts. Average noninterest-bearing deposits, money market and savings accounts, and time deposits increased $32.5 billion, or 128.7%, $49.8 billion, or 114.8%, and $11.4 billion, or 91.6%, respectively.

Corporate and Commercial Banking

Corporate and Commercial Banking net income was $2.3 billion for 2020, an increase of $530 million, or 29.6%, compared to 2019. Segment net interest income increased $2.4 billion, primarily due to the Merger. Noninterest income increased $1.3 billion primarily due to the Merger and other increases in investment banking income, partially offset by losses in trading income primarily related to the decline in interest rates and widening of credit spreads. The allocated provision for credit losses increased $1.2 billion primarily due to the Merger as well as increased economic stress associated with the pandemic. Noninterest expense increased $1.9 billion primarily due to operating expenses and amortization of intangibles related to the Merger in 2020. The allocated provision for income taxes increased $103 million due primarily to higher pre-tax income.

Corporate and Commercial Banking average loans and leases held for investment increased $81.6 billion, or 95.9%, compared to 2019 driven primarily by the Merger and growth in corporate loans. Average loans and leases HFI for the Corporate and Institutional Group increased $47.4 billion, or 157.0%, driven primarily by the Merger and growth in commercial and industrial loans, while average loans and leases HFI for Commercial Community Banking increased $34.2 billion, or 62.3%, driven primarily by the Merger, and growth in commercial and industrial loans, and PPP impact.

Corporate and Commercial Banking average total deposits increased $68.0 billion, or 102.7%, compared to 2019 driven primarily by the Merger and COVID-19 stimulus impacts. Average interest checking, noninterest-bearing deposits and money market and savings increased $37.0 billion, or 291.4%, $26.1 billion, or 88.2%, and $4.3 billion, or 18.9%, respectively.

Insurance Holdings

Insurance Holdings net income was $407 million in 2020, an increase of $89 million, or 28.0%, compared to 2019. Noninterest income increased $129 million primarily due to organic growth in commercial property and casualty and other insurance commissions, along with acquisitions made in 2020.

Other, Treasury and Corporate

Other, Treasury and Corporate generated a net loss of $1.3 billion in 2020, compared to a net loss of $637 million in 2019. Segment net interest income decreased $158 million primarily due to a decline in funding charges on assets to other segments relative to the funding credit provided on liabilities. Noninterest income increased $447 million due primarily to the gain on sale of securities in 2020, partially offset by lower income related to certain post-employment benefits. The allocated provision for credit losses increased $27 million primarily due to the provision for unfunded commitments. Noninterest expense increased $1.2 billion primarily due to operating expenses related to the Merger, higher merger-related charges and incremental operating expenses related to the Merger, loss on early extinguishment of long-term debt, and elevated COVID-related expenses in 2020. The benefit for income taxes increased $306 million primarily due to a higher pre-tax loss.

Analysis of Financial Condition

Investment Activities

Truist's Board-approved investment policy is carried out by the MRLCC, which meets regularly to review the economic environment and establish investment strategies. The MRLCC also has much broader responsibilities, which are discussed in the "Market Risk Management" section in this MD&A.

Investment strategies are reviewed by the MRLCC based on the interest rate environment, balance sheet mix, actual and anticipated loan demand, funding opportunities and the overall interest rate sensitivity of the Company. In general, the goals of the investment portfolio are: (i) to provide sufficient liquid assets to meet unanticipated deposit and loan fluctuations and overall funds management objectives; (ii) to provide eligible securities to secure public funds, trust deposits and other borrowings; and (iii) to earn an optimal return on funds invested commensurate with meeting the requirements of (i) and (ii) and consistent with the Company's risk appetite.

Truist Bank invests in securities allowable under bank regulations. These securities may include obligations of the U.S. Treasury, U.S. government agencies, GSEs (including MBS), bank eligible obligations of any state or political subdivision, non-agency MBS, structured notes, bank eligible corporate obligations (including corporate debentures), commercial paper, negotiable CDs, bankers acceptances, mutual funds and limited types of equity securities.

Table 14: Composition of Securities Portfolio

December 31, (Dollars in millions)	2020	2019
AFS securities (at fair value):		
U.S. Treasury	$ 1,746	$ 2,276
GSE	1,917	1,881
Agency MBS - residential	113,541	68,236
Agency MBS - commercial	3,057	1,341
States and political subdivisions	493	585
Non-agency MBS	—	368
Other	34	40
Total AFS securities	$ 120,788	$ 74,727

The securities portfolio totaled $120.8 billion at December 31, 2020, compared to $74.7 billion at December 31, 2019. The increase was due primarily to a $47.0 billion increase in Agency MBS. The increase in the Agency MBS portfolio includes the redeployment of excess liquidity. During 2020, the Company sold non-Agency MBS, and sold and reinvested residential Agency MBS. These sales were the primary drivers for the gains of $402 million for the year ended December 31, 2020.

As of December 31, 2020, approximately 1.9% of the securities portfolio was variable rate, compared to 3.6% as of December 31, 2019. The effective duration of the securities portfolio was 4.0 years at December 31, 2020, compared to 4.7 years at December 31, 2019.

U.S. Treasury, GSE and Agency MBS represented 99.6% of the total securities portfolio as of December 31, 2020, compared to 98.7% as of the prior year end.

The following table presents the securities portfolio at December 31, 2020, segregated by major category of security holdings with ranges of maturities and average yields disclosed:

Table 15: Securities Yields by Major Category and Maturity

December 31, 2020 (Dollars in millions)	AFS	
	Fair Value	Yield (1)
U.S. Treasury:		
Within one year	$ 254	1.51 %
One to five years	1,492	0.85
Total	1,746	0.95
GSE:		
Within one year	288	2.81
One to five years	1,553	2.20
After ten years	76	3.03
Total	1,917	2.33
Agency MBS - residential: (2)		
One to five years	1	2.77
Five to ten years	441	2.42
After ten years	113,099	1.95
Total	113,541	1.95
Agency MBS - commercial: (2)		
One to five years	2	2.80
Five to ten years	10	2.86
After ten years	3,045	1.92
Total	3,057	1.93
States and political subdivisions:		
Within one year	29	3.54
One to five years	132	2.58
Five to ten years	115	4.58
After ten years	217	3.65
Total	493	3.57
Other:		
Within one year	1	1.83
One to five years	7	3.55
After ten years	26	1.70
Total	34	2.08
Total securities	$ 120,788	1.95

(1) Yields represent interest computed under the effective interest method on a TE basis using the federal income tax rate and the amortized cost of the securities.

(2) For purposes of the maturity table, MBS, which are not due at a single maturity date, have been included in maturity groupings based on the contractual maturity. The expected life of MBS will differ from contractual maturities because borrowers may have the right to call or prepay the underlying mortgage loans.

Lending Activities

Truist strives to meet the credit needs of its clients while pursuing a balanced strategy of loan profitability, loan growth and loan quality. Management believes that this purpose can best be accomplished by building strong client relationships over time and developing in-depth local market knowledge. The Company employs strict underwriting criteria governing the degree of risk assumed and the diversity of the loan portfolio in terms of type, industry and geographical concentration.

Truist lends to a diverse client base that is geographically dispersed to mitigate concentration risk arising from local and regional economic downturns. International loans were immaterial as of December 31, 2020 and 2019. The following discussion provides additional information on the Company's loan and lease portfolios. Refer to the "Risk Management" section for a discussion of the credit risk management policies used to manage the portfolios.

Commercial Loan and Lease Portfolio

Commercial loans and leases represent the largest category of the Company's loan and lease portfolio. Commercial Community Banking generally targets small-to-middle market businesses with annual sales between $2 million and $500 million, while CIB provides lending solutions to large commercial clients. The commercial loan and lease portfolio consists of lending to public and private business clients and is composed of commercial and industrial, owner occupied, equipment leasing and financing and commercial real estate, as well as government and institutional financing.

In accordance with the Company's lending policy, each commercial loan undergoes a detailed underwriting process. Commercial loans are typically priced with an interest rate tied to market indices, such as the prime rate, LIBOR, or SOFR and are individually monitored and reviewed for deterioration in the ability of the client to repay the loan. The majority of Truist's commercial loans are secured by real estate, business equipment, inventories and other types of collateral.

Residential Mortgage Loan Portfolio

Truist Bank offers various types of fixed and adjustable-rate loans for the purpose of constructing, purchasing or refinancing residential properties. Truist primarily originates conforming mortgage loans and higher quality jumbo and construction-to-permanent loans for owner-occupied properties. Conforming loans are loans that are underwritten in accordance with the underwriting standards set forth by FNMA and FHLMC. They are generally collateralized by one-to-four-family residential real estate, typically have loan-to-collateral value ratios of 80% or less at origination, or have mortgage insurance as required by investors and are made to borrowers in good credit standing.

Risks associated with mortgage lending include interest rate risk, which is mitigated through the sale of a substantial portion of conforming fixed-rate loans in the secondary mortgage market and an effective MSR hedging process. Credit risk is managed through rigorous underwriting procedures and mortgage insurance. The right to service the loans and receive servicing income is generally retained when conforming loans are sold. Management believes that the retention of mortgage servicing is a relationship driver in retail banking and a part of management's strategy to establish long-term client relationships and offer high quality client service. Truist also purchases residential mortgage loans from correspondent originators. The loans purchased from third party originators are subject to substantially the same underwriting and risk-management criteria as loans originated internally.

Residential Home Equity and Direct Loan Portfolio

The residential home equity and direct loan portfolio is composed of a wide variety of secured and unsecured loans offered through Truist’s branch network, as well as loans originated by LightStream, Truist’s national online consumer lending division. Loans originated through the Truist branch network include revolving home equity lines of credit secured by first or second liens on residential real estate and certain other secured and unsecured lending marketed to qualifying clients and other creditworthy candidates in Truist’s market areas. LightStream provides fixed-rate, unsecured lending to consumers with strong credit through its proprietary online loan origination system.

Indirect Auto Loan Portfolio

The indirect auto portfolio primarily includes secured indirect installment loans to consumers for the purchase of new and used automobiles. The indirect auto portfolio also includes nonprime and near prime automobile finance. Such loans are originated through approved franchised and independent dealers throughout the Truist market area and nationally through Regional Acceptance Corporation. These loans are relatively homogeneous and no single loan is individually significant in terms of its size and potential risk of loss. Indirect auto loans are subject to rigorous lending policies and procedures and are underwritten with note amounts and credit limits that are consistent with the Company's risk philosophy. In addition to its normal underwriting due diligence, Truist uses application systems and scoring systems to help underwrite and manage the credit risk in its indirect auto portfolio.

Indirect Other Loan Portfolio

The indirect other portfolio includes secured indirect installment loans to consumers for the purchase of new and used boats and recreational vehicles. The indirect other portfolio also includes small ticket consumer lending related to the purchase of power sports equipment. These loans are relatively homogeneous and no single loan is individually significant in terms of its size and potential risk of loss. These loans are subject to similar rigorous lending policies and procedures as the indirect auto loan portfolio. The indirect other loan portfolio also includes other indirect lending to consumers to finance home improvements, furniture purchases, and certain elective health-care services. These loans are originated in accordance with strict underwriting criteria as determined by Truist.

Student Loan Portfolio

The student loan portfolio is composed of government guaranteed student loans and certain private student loans originated by third parties. The government guarantee mitigates substantially all of the risk related to principal and interest repayment for this component of the portfolio. Private student loans were purchased from third party originators with credit enhancements that partially mitigate the Company’s credit exposure.

Credit Card Loan Portfolio

The credit card portfolio consists of the outstanding balances on credit cards. Truist markets credit cards to its existing client base and does not solicit cardholders through nationwide programs or other forms of mass marketing. Such balances are generally unsecured and actively managed.

PCI

Prior to the adoption of CECL, the PCI balance included loans acquired with credit deterioration subsequent to origination as well as loans that were formerly covered by loss sharing agreements. In connection with the adoption of CECL, all loans previously in the PCI portfolio became PCD loans and were transferred to their respective portfolios.

Refer to "Note 5. Loans and ACL" for additional information.

The following table summarizes the loan portfolio:

Table 16: Loans and Leases as of Period End

December 31, (Dollars in millions)	2020	2019	2018	2017	2016
Commercial:					
Commercial and industrial	$ 138,354	$ 130,180	$ 61,935	$ 59,153	$ 57,739
CRE	26,595	26,832	16,808	17,173	15,945
Commercial construction	6,491	6,205	4,252	4,090	3,819
Lease financing	5,240	6,122	2,018	1,911	1,677
Consumer:					
Residential mortgage	47,272	52,071	31,393	28,725	29,921
Residential home equity and direct	26,064	27,044	11,775	12,088	12,295
Indirect auto	26,150	24,442	11,282	11,641	13,342
Indirect other	11,177	11,100	6,143	5,594	5,222
Student	7,552	6,743	—	—	—
Credit card	4,839	5,619	2,941	2,675	2,452
PCI	—	3,484	466	651	910
Total loans and leases HFI	299,734	299,842	149,013	143,701	143,322
LHFS	6,059	8,373	988	1,099	1,716
Total loans and leases	$ 305,793	$ 308,215	$ 150,001	$ 144,800	$ 145,038

Loans and leases HFI were $299.7 billion at December 31, 2020, down $108 million compared to 2019.

Commercial loans increased $7.3 billion during 2020. The growth in the commercial portfolio was primarily in commercial and industrial loans and reflects PPP loan originations, which was partially offset by lower utilization of commercial lines. Truist served as the fourth largest PPP lender in 2020. The carrying value of PPP loans was $11.0 billion as of December 31, 2020. Additionally, within the commercial and industrial portfolio, Truist experienced growth in loans from mortgage warehouse lending due to the decline in rates and increased refinance activity. Growth in commercial portfolios was partially offset by a decline in dealer floor plan lending and the transfer of $1.0 billion of certain loans and leases to held for sale related to the decision to exit a small ticket loan and lease portfolio.

Consumer loans decreased $3.2 billion during 2020 primarily due to refinance activity resulting in a decline in residential mortgages and residential home equity and direct loans. This was partially offset by an increase in indirect auto due to expanded client offerings and an improving credit environment.

Credit card loans decreased $780 million during 2020 due to lower business and consumer spending as a result of COVID-19.

LHFS decreased $2.3 billion during 2020 primarily due to the sale of loans that had been placed in LHFS after the close of the Merger and the branch divestiture in connection with the Merger, partially offset by the transfer of $1.0 billion to LHFS due to the decision to exit a small ticket loan and lease portfolio.

The following table presents a summary of the commercial loan portfolio, segregated by contractual maturities and interest rate terms. Determinations of maturities are based on contractual terms. Truist's credit policy typically does not permit automatic renewal of loans. At the scheduled maturity date (including balloon payment date), the client generally must request a new loan to replace the matured loan and execute either a new note or note modification with rate, terms and conditions negotiated at that time.

Table 17: Commercial Loan Maturities

December 31, 2020 (Dollars in millions)	1 Year or Less	1 to 5 Years	After 5 Years	Total
Fixed rate:				
Commercial and industrial	$ 4,776	$ 21,910	$ 18,383	$ 45,069
CRE	359	2,296	2,273	4,928
Commercial construction	10	85	116	211
Lease financing	189	1,876	1,807	3,872
Total fixed rate	5,334	26,167	22,579	54,080
Variable rate:				
Commercial and industrial	20,610	54,435	18,240	93,285
CRE	3,354	12,364	5,949	21,667
Commercial construction	1,738	4,054	488	6,280
Lease financing	147	315	906	1,368
Total variable rate	25,849	71,168	25,583	122,600
Total commercial loans and leases	$ 31,183	$ 97,335	$ 48,162	$ 176,680

Certain residential mortgage loans have an initial period where the borrower is only required to pay the periodic interest. After the interest-only period, the loan will require the payment of both interest and principal over the remaining term. The outstanding balances of variable rate residential mortgage loans in the interest-only phase were approximately $358 million and $392 million at December 31, 2020 and December 31, 2019, respectively.

The following table presents the composition of average loans and leases for each of the last five quarters:

Table 18: Average Loans and Leases

For the Three Months Ended (Dollars in millions)	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Commercial:					
Commercial and industrial	$ 139,223	$ 143,452	$ 152,991	$ 131,743	$ 81,853
CRE	27,030	27,761	27,804	27,046	19,896
Commercial construction	6,616	6,861	6,748	6,409	4,506
Lease financing	5,401	5,626	5,922	6,070	3,357
Consumer:					
Residential mortgage	48,847	51,500	52,380	52,993	34,824
Residential home equity and direct	26,327	26,726	27,199	27,564	15,810
Indirect auto	25,788	24,732	24,721	24,975	15,390
Indirect other	11,291	11,530	11,282	10,950	7,772
Student	7,519	7,446	7,633	7,787	1,825
Credit card	4,818	4,810	4,949	5,534	3,788
PCI	—	—	—	—	1,220
Total average loans and leases HFI	$ 302,860	$ 310,444	$ 321,629	$ 301,071	$ 190,241

Average loans and leases held for investment for the fourth quarter of 2020 were $302.9 billion, down $7.6 billion compared to the third quarter of 2020.

Average commercial loans decreased $5.4 billion, primarily in commercial and industrial loans due to paydowns on commercial lines. This was partially offset by growth in mortgage warehouse lending, dealer floor plan lending and governmental finance loans. The carrying value of PPP loans was down $1.4 billion compared to September 30, 2020, which resulted in a decline of $304 million in average PPP loans compared to the average for the third quarter of 2020. In addition, average commercial loans were impacted by the transfer of $1.0 billion of certain loans and leases to held for sale, which resulted in a decline in the average balance of $323 million compared to the third quarter of 2020.

Average consumer loans decreased $2.2 billion primarily due to seasonally lower loan production and refinance activity resulting in a decline in residential mortgages and residential home equity and direct loans. This was partially offset by an increase in indirect auto loans.

COVID-19 Lending Activities

The CARES Act created the PPP, which has temporarily expanded the Small Business Administration's business loan guarantee program. The CARES Act additionally includes provisions that were designed to encourage financial institutions to support borrowers impacted by COVID-19. These modifications are generally not considered a TDR as disclosed in "Note 1. Basis of Presentation." Payment relief assistance includes forbearance, deferrals, extension and re-aging programs, along with certain other modification strategies. The following table provides a summary of accommodations as of December 31, 2020:

Table 19: Client Accommodations (1)

	Active Accommodations		Exited Accommodations		
December 31, 2020 (Dollars in millions)	Total Count	Outstanding Balance	Outstanding Balance	% Paid-off or Current (2)	Types of Accommodations
Commercial	835	$ 274	$ 21,239	97.2 %	Clients may elect to defer loan or lease payments for up to 90 days without late fees being incurred but with finance charges continuing to accrue.
Consumer	123,191	3,729	8,062	90.8	Clients may elect to defer loan payments for time periods that generally range from 30 to 90 days without late fees being incurred but with finance charges generally continuing to accrue. The Company's residential mortgage forbearance program generally provides up to 180 days of relief, provided that additional relief may be provided in certain circumstances.
Credit card	5,996	31	187	88.5	Clients may elect to defer payments for up to 90 days without late fees being incurred but with finance charges accruing. In addition, Truist provided credit card clients with 5% cash back on qualifying card purchases for certain important basic needs.
Total	130,022	$ 4,034	$ 29,488		

(1) Excludes approximately 46,000 of active accommodations related to government guaranteed loans totaling approximately $2.3 billion.
(2) Calculated based on accommodation count; includes loans that are less than 30 days past due.

The following table provides a summary of the Company's exposure related to loans that have exited accommodations:

Table 20: Accommodations Exposure

December 31, 2020 (Dollars in billions)	Exposure
Current	$ 28,571
Past due and still accruing	545
Nonperforming	372
Total	$ 29,488

The following table provides a summary of exposure to industries that management believes are most vulnerable in the current economic environment. These selected industry exposures represent 9.0% of loans held for investment at December 31, 2020. Truist is actively managing these portfolios and will continue to make underwriting or risk acceptance adjustments as appropriate. These exposures decreased $0.8 billion or 2.6% during the fourth quarter. In addition, management is closely monitoring its leveraged lending and small secured real estate portfolios which comprised 3.1% and 1.5% of loans held for investment at December 31, 2020, respectfully.

Table 21: Selected Credit Exposures

December 31, 2020 (Dollars in billions)	Outstanding Balance	Percentage of Loans HFI
Hotels, Resorts & Cruise Lines	$ 6.5	2.2 %
Senior Care	6.2	2.1
Oil & Gas Portfolio	4.9	1.6
Acute Care Facilities	4.6	1.5
Restaurants	2.9	1.0
Sensitive Retail	2.0	0.6
Total	$ 27.1	9.0 %
Other exposures (included in industries above):		
Leveraged lending	$ 9.4	3.1 %
Small secured real estate	4.4	1.5

Asset Quality

The following tables summarize asset quality information for each of the last five years:

Table 22: Asset Quality

December 31, (Dollars in millions)	2020	2019	2018	2017	2016
NPAs:					
NPLs:					
Commercial and industrial	$ 532	$ 212	$ 200	$ 259	$ 369
CRE	75	10	63	37	40
Commercial construction	14	—	2	8	17
Lease financing	28	8	3	1	4
Residential mortgage	316	55	119	129	172
Residential home equity and direct	205	67	53	64	63
Indirect auto	155	100	82	71	71
Indirect other	5	2	—	1	—
Total NPLs HFI	1,330	454	522	570	736
Loans held for sale	5	107	—	—	—
Total nonaccrual loans and leases	1,335	561	522	570	736
Foreclosed real estate	20	82	35	32	50
Other foreclosed property	32	41	28	25	27
Total nonperforming assets	$ 1,387	$ 684	$ 585	$ 627	$ 813
TDRs:					
Performing TDRs:					
Commercial and industrial	$ 78	$ 47	$ 65	$ 50	$ 57
CRE	47	6	8	11	16
Commercial construction	—	37	2	5	9
Lease financing	60	—	—	—	—
Residential mortgage	648	470	656	605	769
Residential home equity and direct	88	51	56	63	69
Indirect auto	392	333	299	274	234
Indirect other	6	5	6	7	6
Student	5	—	—	—	—
Credit card	37	31	27	28	27
Total performing TDRs	$ 1,361	$ 980	$ 1,119	$ 1,043	$ 1,187
Nonperforming TDRs	164	82	176	189	184
Total TDRs	$ 1,525	$ 1,062	$ 1,295	$ 1,232	$ 1,371
Loans 90 days or more past due and still accruing: (1)					
Commercial and industrial	$ 13	$ 1	$ —	$ 1	$ —
CRE	—	—	—	1	—
Residential mortgage	841	543	405	465	522
Residential home equity and direct	10	9	8	6	6
Indirect auto	2	11	6	6	5
Indirect other	2	2	—	—	1
Student	1,111	188	—	—	—
Credit card	29	22	13	12	12
PCI	—	1,218	30	57	90
Total loans 90 days or more past due and still accruing	$ 2,008	$ 1,994	$ 462	$ 548	$ 636
Loans 30-89 days past due and still accruing: (1)					
Commercial and industrial	$ 83	$ 94	$ 34	$ 41	$ 44
CRE	14	5	4	8	6
Commercial construction	5	1	1	—	2
Lease financing	6	2	1	4	4
Residential mortgage	782	498	456	472	525
Residential home equity and direct	98	122	63	67	62
Indirect auto	495	560	390	373	347
Indirect other	68	85	46	39	30
Student	618	650	—	—	—
Credit card	51	56	26	21	21
PCI	—	140	23	27	36
Total loans 30-89 days past due and still accruing	$ 2,220	$ 2,213	$ 1,044	$ 1,052	$ 1,077

(1) The past due status of loans that received a deferral under the CARES Act is generally frozen during the deferral period.

Nonperforming assets totaled $1.4 billion at December 31, 2020, up $703 million compared to December 31, 2019 primarily from the adoption of CECL, which resulted in the discontinuation of the pool-level accounting for PCI loans and replaced that with a loan-level evaluation for nonaccrual status. As of December 31, 2019, there was approximately $500 million of PCI loans that would have been classified as nonperforming had the Company evaluated accrual status on a loan level basis. The remaining increase in nonperforming loans held for investment is primarily in commercial and industrial loans and an increase in nonperforming mortgage loans due to loans exiting certain accommodation programs related to the CARES Act. Nonperforming loans and leases represented 0.44% of total loans and leases, up 26 basis points compared to December 31, 2019.

Performing TDRs were up $381 million compared to the prior year primarily in residential mortgage, lease financing and indirect auto loans. This increase primarily reflects the application of acquisition accounting related to the Merger, which resulted in the removal of the TDR designation on all loans that were restructured by SunTrust prior to the Merger date.

Loans 90 days or more past due and still accruing totaled $2.0 billion at December 31, 2020, relatively flat compared to the prior year. In connection with the discontinuation of pool level accounting for PCI loans, loans 90 days or more past due and still accruing decreased as loan-level evaluations resulted in certain loans being placed in nonaccrual status. This decrease was partially offset by an increase in government guaranteed student loans. Additionally, residential mortgage loans 90 days or more past due increased primarily due to the repurchase of delinquent government guaranteed loans. The ratio of loans 90 days or more past due and still accruing as a percentage of loans and leases was 0.67% at December 31, 2020, an increase of 1 basis point from the prior year. Excluding government guaranteed and PCI 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 December 31, 2020, up 1 basis point from December 31, 2019.

Loans 30-89 days past due and still accruing totaled $2.2 billion at December 31, 2020, relatively flat compared to the prior year. Loans 30-89 days past due reflects a decrease in PCI loans, offset by a corresponding increase in the portfolios where these loans were transferred in connection with the implementation of CECL. The ratio of loans 30-89 days or more past due and still accruing as a percentage of loans and leases was 0.74% at December 31, 2020, flat compared to the prior year.

Problem loans include NPLs and loans that are 90 days or more past due and still accruing as disclosed in Table 22. 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 additional disclosures related to these potential problem loans.

Table 23: Asset Quality Ratios

As Of / For The Year Ended December 31,	2020	2019	2018	2017	2016
Loans 30-89 days past due and still accruing as a percentage of loans and leases HFI	0.74 %	0.74 %	0.70 %	0.73 %	0.75 %
Loans 90 days or more past due and still accruing as a percentage of loans and leases HFI	0.67	0.66	0.31	0.38	0.44
NPLs as a percentage of loans and leases HFI	0.44	0.15	0.35	0.40	0.51
Nonperforming loans and leases as a percentage of loans and leases (1)	0.44	0.18	0.35	0.40	0.51
NPAs as a percentage of:					
Total assets (1)	0.27	0.14	0.26	0.28	0.37
Loans and leases HFI plus foreclosed property	0.46	0.19	0.39	0.44	0.57
Net charge-offs as a percentage of average loans and leases HFI	0.36	0.40	0.36	0.38	0.38
ALLL as a percentage of loans and leases HFI	1.95	0.52	1.05	1.04	1.04
Ratio of ALLL to:					
Net charge-offs	5.21x	2.44x	2.98x	2.78x	2.80x
NPLs	4.39x	3.41x	2.99x	2.62x	2.03x
Loans 90 days or more past due and still accruing as a percentage of loans and leases HFI excluding PPP, other government guaranteed and PCI loans(2)	0.04 %	0.03 %	0.04 %	0.05 %	0.07 %

Applicable ratios are annualized.

(1) Includes LHFS.

(2) This asset quality ratio has been adjusted to remove the impact of government guaranteed mortgage, student and PPP loans, and PCI, as applicable. Management believes the inclusion of such assets in this asset quality ratio results in distortion of this ratio such that it might not be reflective of asset collectability or might not be comparable to other periods presented or to other portfolios that do not have government guarantees or were not impacted by PCI accounting requirements.

The following table presents activity related to NPAs:

Table 24: Rollforward of NPAs

(Dollars in millions)	2020	2019
Balance, January 1	$ 684	$ 585
New NPAs (1)	3,247	1,499
Advances and principal increases	299	143
Disposals of foreclosed assets (2)	(432)	(479)
Disposals of NPLs (3)	(712)	(239)
Charge-offs and losses	(578)	(295)
Payments	(766)	(392)
Transfers to performing status	(339)	(137)
Other, net	(16)	(1)
Ending balance, December 31	$ 1,387	$ 684

(1) For 2020, includes approximately $500 million of loans previously classified as PCI that would have otherwise been nonperforming as of December 31, 2019.
(2) Includes charge-offs and losses recorded upon sale of $139 million and $228 million for the year ended December 31, 2020 and 2019, respectively.
(3) Includes charge-offs and losses recorded upon sale of $132 million and $39 million for the year ended December 31, 2020 and 2019, respectively.

TDRs occur when a borrower is experiencing, or is expected to experience, financial difficulties in the near term and a concession has been granted to the borrower. As a result, Truist works with borrowers to prevent further difficulties and to improve the likelihood of recovery on a loan. To facilitate this process, a concessionary modification that would not otherwise be considered may be granted, resulting in classification of the loan as a TDR. In accordance with the CARES Act, Truist implemented loan modification programs in response to the COVID-19 pandemic in order to provide borrowers with flexibility with respect to repayment terms. Payment relief assistance provided by Truist includes forbearance, deferrals, extension and re-aging programs, along with certain other modification strategies. The Company adopted certain provisions of the CARES Act and other regulatory guidance that provide relief from the requirement to apply TDR accounting to (1) certain modifications of federally backed mortgages upon request from the borrower, and (2) certain modifications of other non-federally backed mortgages for borrowers impacted by the COVID-19 pandemic that were less than 30 days past due at December 31, 2019. Refer to "Note 1. Basis of Presentation" for Truist's policy related to TDRs and COVID-19 loan modifications.

TDRs identified by SunTrust prior to the Merger date are not included in Truist's TDR disclosure because all such loans were recorded at fair value and a new accounting basis was established as of the Merger date. Subsequent modifications are evaluated for potential treatment as TDRs in accordance with Truist's accounting policies.

The following table provides a summary of performing TDR activity:

Table 25: Rollforward of Performing TDRs

(Dollars in millions)	2020	2019
Balance, January 1	$ 980	$ 1,119
Inflows	933	576
Payments and payoffs (1)	(194)	(214)
Charge-offs	(44)	(67)
Transfers to nonperforming TDRs (2)	(78)	(77)
Removal due to the passage of time	(8)	(18)
Non-concessionary re-modifications	(3)	(8)
Transferred to LHFS, sold and other	(225)	(331)
Balance, December 31	$ 1,361	$ 980

(1) Includes scheduled principal payments, prepayments and payoffs of amounts outstanding.
(2) Represent loans that no longer meet the requirements necessary to reflect the loan in accruing status.

TDR classification may be removed due to the passage of time if the loan: (i) did not include a forgiveness of principal or interest, (ii) has performed in accordance with the modified terms (generally a minimum of six months), (iii) was reported as a TDR over a year-end reporting period, and (iv) reflected an interest rate on the modified loan that was no less than a market rate at the date of modification. TDR classification may also be removed for an accruing loan upon the occurrence of a subsequent non-concessionary modification granted at market terms and within current underwriting guidelines. In connection with consumer TDRs, a NPL will be returned to accruing status when (i) the borrower has resumed paying the full amount of the scheduled contractual interest and principal payments, (ii) management concludes that all principal and interest amounts contractually due (including arrearages) are reasonably assured of repayment, and (iii) there is a sustained period of repayment performance, generally a minimum of six months.

The following table provides further details regarding the payment status of TDRs outstanding at December 31, 2020:

Table 26: Payment Status of TDRs (1)

December 31, 2020 (Dollars in millions)	Current		Past Due 30-89 Days		Past Due 90 Days Or More		Total
Performing TDRs:							
Commercial:							
Commercial and industrial	$ 77	98.7 %	$ —	— %	$ 1	1.3 %	$ 78
CRE	47	100.0	—	—	—	—	47
Commercial construction	—	—	—	—	—	—	—
Lease financing	60	100.0	—	—	—	—	60
Consumer:							
Residential mortgage	383	59.1	107	16.5	158	24.4	648
Residential home equity and direct	82	93.2	5	5.7	1	1.1	88
Indirect auto	333	84.9	59	15.1	—	—	392
Indirect other	5	83.3	1	16.7	—	—	6
Student	5	100.0	—	—	—	—	5
Credit card	32	86.5	3	8.1	2	5.4	37
Total performing TDRs	1,024	75.2	175	12.9	162	11.9	1,361
Nonperforming TDRs	76	46.3	20	12.2	68	41.5	164
Total TDRs	$ 1,100	72.1	$ 195	12.8	$ 230	15.1	$ 1,525

(1) Past due performing TDRs are included in past due disclosures and nonperforming TDRs are included in NPL disclosures.

ACL

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

Table 27: Activity in ACL

(Dollars in millions)	2020	2019	2018	2017	2016
Balance, beginning of period	$ 1,889	$ 1,651	$ 1,609	$ 1,599	$ 1,550
CECL adoption - impact to retained earnings before tax	2,762	—	—	—	—
CECL adoption - reserves on PCD assets	378	—	—	—	—
Provision for credit losses	2,335	615	566	547	572
Charge-offs:					
Commercial and industrial	(358)	(90)	(92)	(95)	(143)
CRE	(78)	(33)	(10)	(8)	(8)
Commercial construction	(30)	—	(3)	(2)	(1)
Lease financing	(54)	(11)	(4)	(5)	(6)
Residential mortgage	(56)	(21)	(21)	(47)	(40)
Residential home equity and direct	(231)	(93)	(79)	(69)	(61)
Indirect auto	(378)	(370)	(342)	(355)	(315)
Indirect other	(60)	(62)	(49)	(47)	(51)
Student	(23)	—	—	—	—
Credit card	(182)	(109)	(76)	(68)	(61)
PCI	—	—	(2)	(1)	(15)
Total charge-offs	(1,450)	(789)	(678)	(697)	(701)
Recoveries:					
Commercial and industrial	92	25	39	36	44
CRE	5	5	3	9	9
Commercial construction	11	3	5	7	10
Lease financing	4	1	1	2	2
Residential mortgage	10	2	2	2	3
Residential home equity and direct	66	30	25	27	28
Indirect auto	87	52	49	46	44
Indirect other	23	17	13	14	11
Student	1	—	—	—	—
Credit card	32	20	17	17	18
Total recoveries	331	155	154	160	169
Net charge-offs	(1,119)	(634)	(524)	(537)	(532)
Other	(46)	257	—	—	9
Balance, end of period	$ 6,199	$ 1,889	$ 1,651	$ 1,609	$ 1,599
ALLL (excluding PCD / PCI loans)	$ 5,668	$ 1,541	$ 1,549	$ 1,462	$ 1,445
ALLL for PCD / PCI loans	167	8	9	28	44
RUFC	364	340	93	119	110
Total ACL	$ 6,199	$ 1,889	$ 1,651	$ 1,609	$ 1,599

The ACL totaled $6.2 billion at December 31, 2020, compared to $1.9 billion at December 31, 2019. The increase in the allowance for credit losses was primarily due to the adoption of CECL. Upon adoption, the Company recorded a $3.1 billion increase in the allowance for credit losses, including $2.8 billion that was charged to retained earnings before tax, and $378 million related to the gross up for PCD loans. The remaining increase in the allowance for credit losses primarily reflects deteriorated economic conditions. As of December 31, 2020, the allowance for loan and lease losses was 1.95% of loans and leases held for investment. The allowance for credit losses includes $5.8 billion for loans and leases and $364 million for the reserve for unfunded commitments.

At December 31, 2020, the allowance for loan and lease losses was 4.39 times nonperforming loans and leases held for investment, compared to 3.41 times at December 31, 2019. At December 31, 2020, the allowance for loan and lease losses was 5.21 times annualized net charge-offs, compared to 2.44 times at December 31, 2019.

Net charge-offs during 2020 totaled $1.1 billion, up $485 million compared to the prior year. The increase in net charge-offs primarily reflects the Merger. As a percentage of average loans and leases, annualized net charge-offs were 0.36%, down four basis points compared to the prior year. Current year net charge-offs include $97 million of charge-offs related to the implementation of CECL, which required a gross-up of loan carrying values in connection with the establishment of an allowance on PCD loans. Management performed a comprehensive review of PCD assets during the year and concluded in certain situations that a charge-off was required. Excluding these additional charge-offs, net charge-offs would have been an annualized 0.33% of average loans and leases for 2020, down seven basis points compared to the prior year.

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 28: Allocation of ALLL by Category

	2020		2019		2018		2017		2016	
December 31, (Dollars in millions)	Amount	% Loans in Each Category	Amount	% Loans in Each Category	Amount	% Loans in each category	Amount	% Loans in each category	Amount	% Loans in each category
Commercial and industrial	$ 2,156	46.2 %	$ 560	43.4 %	$ 546	41.4 %	$ 522	41.1 %	$ 530	40.4 %
CRE	573	8.9	150	8.9	142	11.3	118	12.0	120	11.1
Commercial construction	81	2.2	52	2.1	48	2.9	42	2.8	25	2.7
Lease financing	48	1.7	10	2.0	11	1.4	9	1.3	7	1.2
Residential mortgage	368	15.8	176	17.4	232	21.1	209	20.0	227	20.8
Residential home equity and direct	714	8.7	107	9.0	104	7.9	113	8.4	111	8.6
Indirect auto	1,198	8.7	304	8.2	298	7.6	296	8.1	273	9.3
Indirect other	208	3.7	60	3.7	58	4.1	52	3.9	54	3.6
Student	130	2.5	—	2.2	—	—	—	—	—	—
Credit card	359	1.6	122	1.9	110	2.0	101	1.9	98	1.7
PCI	—	—	8	1.2	9	0.3	28	0.5	44	0.6
Total ALLL	5,835	100.0 %	1,549	100.0 %	1,558	100.0 %	1,490	100.0 %	1,489	100.0 %
RUFC	364		340		93		119		110	
Total ACL	$ 6,199		$ 1,889		$ 1,651		$ 1,609		$ 1,599	

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. As a result, using migration assumptions that are based on historical experience and adjusted for current trends, Truist estimates the volume of second lien positions where the first lien is delinquent and adjusts the ALLL to reflect the increased risk of loss on these credits. Finally, Truist also provides additional reserves for second lien positions when the estimated combined current loan to value ratio for the credit exceeds 100%. As of December 31, 2020, Truist held or serviced the first lien on 30.6% of its second lien positions.

Other Assets

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

Table 29: Other Assets as of Period End

December 31, (Dollars in millions)	2020	2019
Bank-owned life insurance	$ 6,479	$ 6,383
Tax credit and other private equity investments	5,685	5,448
Prepaid pension assets	4,358	3,579
Derivative assets	3,837	2,053
Accrued income	1,934	1,807
Accounts receivable	1,833	2,418
Leased assets and related assets	1,810	1,897
ROU assets	1,333	1,823
Prepaid expenses	1,247	1,254
Equity securities at fair value	1,054	817
Structured real estate	390	987
FHLB stock	164	764
Other	549	2,602
Total other assets	$ 30,673	$ 31,832

Funding Activities

Deposits are the primary source of funds for the Company's lending and investing activities. Scheduled payments and maturities from portfolios of loans and investment securities also provide a stable source of funds. FHLB advances, other secured borrowings, Federal funds purchased and other short-term borrowed funds, as well as long-term debt issued through the capital markets, all provide supplemental liquidity sources. Funding activities are monitored and governed through Truist's overall ALM process under the governance and oversight of the MRLCC, which is further discussed in the "Market Risk Management" section in MD&A. The following section provides a brief description of the various sources of funds.

Deposits

Deposits are obtained principally from individuals and businesses within Truist's branch network and include noninterest-bearing checking accounts, interest-bearing checking accounts, savings accounts, money market deposit accounts, CDs and IRAs. Deposit account terms vary with respect to the minimum balance required, the time period the funds must remain on deposit and service charge schedules. Interest rates paid on specific deposit types are determined based on (i) competitor deposit rates, (ii) the anticipated amount and timing of funding needs, (iii) the availability and cost of alternative sources of funding, and (iv) anticipated future economic conditions and interest rates. Deposits are attractive sources of funding because of their stability and relative cost.

The following table presents deposits for each of the last five years:

Table 30: Deposits as of Period End

December 31, (Dollars in millions)	2020	2019	2018	2017	2016
Noninterest-bearing deposits	$ 127,629	$ 92,405	$ 53,025	$ 53,767	$ 50,697
Interest checking	105,269	85,492	28,130	27,677	30,263
Money market and savings	126,238	120,934	63,467	62,757	64,883
Time deposits	21,941	35,896	16,577	13,170	14,391
Total deposits	$ 381,077	$ 334,727	$ 161,199	$ 157,371	$ 160,234

Deposits totaled $381.1 billion at December 31, 2020, an increase of $46.4 billion from December 31, 2019. The growth in deposits reflects solid growth in all non-time deposit categories resulting from pandemic-related client behavior and government stimulus programs. Time deposits decreased primarily due to maturities of wholesale negotiable certificates of deposit and higher-cost personal and business accounts.

The following table presents average deposits for each of the last five quarters:

Table 31: Average Deposits

Three Months Ended (Dollars in millions)	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Noninterest-bearing deposits	$ 127,103	$ 123,966	$ 113,875	$ 93,135	$ 64,485
Interest checking	99,866	96,707	97,863	85,008	43,246
Money market and savings	124,692	123,598	126,071	120,936	79,903
Time deposits	23,605	27,940	33,009	35,570	23,058
Foreign office deposits - interest-bearing	—	—	—	—	24
Total average deposits	$ 375,266	$ 372,211	$ 370,818	$ 334,649	$ 210,716

Average deposits for the fourth quarter of 2020 were $375.3 billion, an increase of $3.1 billion compared to the prior quarter. Average noninterest-bearing and interest checking deposit growth was strong for the fourth quarter of 2020 driven by anticipated seasonal inflows in addition to continued growth resulting from pandemic-related client behavior. Average time deposits decreased primarily due to maturity of wholesale negotiable certificates of deposit and higher-cost personal and business accounts.

Average noninterest-bearing deposits represented 33.9% of total deposits for the fourth quarter of 2020, compared to 33.3% for the prior quarter. The cost of average total deposits was 0.07% for the fourth quarter, down three basis points compared to the prior quarter. The cost of average interest-bearing deposits was 0.11% for the fourth quarter, down four basis points compared to the prior quarter.

The following table summarizes the maturities of time deposits above $100,000:

Table 32: Scheduled Maturities of Time Deposits $100,000 and Greater

December 31, 2020 (Dollars in millions)	
Three months or less	$ 3,400
Over three through six months	2,252
Over six through twelve months	1,882
Over twelve months	1,482
Total	$ 9,016

Borrowings

The types of short-term borrowings that have been, or may be, used by the Company include Federal funds purchased, securities sold under repurchase agreements, master notes, commercial paper, short-term bank notes and short-term FHLB advances. Short-term borrowings fluctuate based on the Company's funding needs. While deposits remain the primary source for funding loan originations, management uses short-term borrowings as a supplementary funding source for loan growth and other balance sheet management purposes. The following table summarizes certain information for the past three years with respect to short-term borrowings excluding trading liabilities, hedges, and collateral in excess of derivative exposure:

Table 33: Short-Term Borrowings

As Of / For The Year Ended December 31, (Dollars in millions)	2020	2019	2018
Securities sold under agreements to repurchase:			
Maximum outstanding at any month-end during the year	$ 2,348	$ 1,969	$ 836
Balance outstanding at end of year	1,221	1,969	270
Average outstanding during the year	1,504	826	446
Average interest rate during the year	0.64 %	2.01 %	1.35 %
Average interest rate at end of year	0.13	1.41	1.59
Federal funds purchased and short-term borrowed funds:			
Maximum outstanding at any month-end during the year	$ 19,392	$ 14,493	$ 8,919
Balance outstanding at end of year	3,372	14,493	4,763
Average outstanding during the year	6,951	7,354	5,341
Average interest rate during the year	1.17 %	2.28 %	1.98 %
Average interest rate at end of year	0.20	1.75	2.49

At December 31, 2020, short-term borrowings totaled $6.1 billion, a decrease of $12.1 billion compared to December 31, 2019, due primarily to a decrease of $10.8 billion in short-term FHLB advances. These borrowing sources were replaced with deposit funding.

Average short-term borrowings were $10.1 billion, or 2.4% of total funding for 2020, as compared to $8.5 billion, or 4.1% for the prior year. The increase in the average amount was due to the Merger. Average short-term borrowings decreased as a percentage of funding sources due to strong deposit growth.

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 $39.6 billion at December 31, 2020, a decrease of $1.7 billion compared to December 31, 2019. During 2020, the Company issued $4.8 billion of senior notes with interest rates from 1.125% to 1.95% maturing in 2023 to 2030, $500 million in floating rate senior notes maturing in 2023 and $1.3 billion of subordinated notes with an interest rate of 2.25% maturing in 2030. These issuances were partially offset by the redemption of $4.6 billion of senior notes during 2020 and a decrease of $3.3 billion in long-term FHLB advances. FHLB advances represented 2.2% of total outstanding long-term debt at December 31, 2020, compared to 10.0% at December 31, 2019. The average cost of long-term debt was 1.75% for the year ended December 31, 2020, down 147 basis points compared to the same period in 2019. Truist entered into $20 billion of FHLB advances during 2020 to build liquidity and ensure the Company was able to meet the funding needs of its clients. As market conditions stabilized and deposits increased, these advances were repaid and the Company recognized a loss of $235 million on the early extinguishment of debt. The repayment of these advances improved net interest income, the net interest margin and the leverage ratios.

Shareholders' Equity

Total shareholders' equity was $70.9 billion at December 31, 2020, an increase of $4.4 billion from December 31, 2019. This increase includes the gross issuance of $3.5 billion of preferred stock during the year, $4.5 billion in net income available to common shareholders and an increase of $1.6 billion in AOCI, which was partially offset by $2.1 billion related to the adoption of CECL and $2.7 billion for common and preferred dividends. In addition, Truist redeemed $500 million of its Series K preferred stock during 2020. Truist's book value per common share at December 31, 2020 was $46.52, compared to $45.66 at December 31, 2019.

Refer to "Note 12. Shareholders' Equity" for additional disclosures related to preferred stock issuances.

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 taxonomy 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 conversations and enables Truist to clearly and transparently communicate to stakeholders the level of potential risk the Company faces, both presently and in the future, and the Company’s position on managing it 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.

Compensation decisions take into account a 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.

Truist employs a comprehensive change management program to manage the risks associated with integrating heritage BB&T and heritage SunTrust. The Board and Executive Leadership oversee the change management program, which is designed to ensure key decisions are reviewed and that there is appropriate oversight of integration activities.

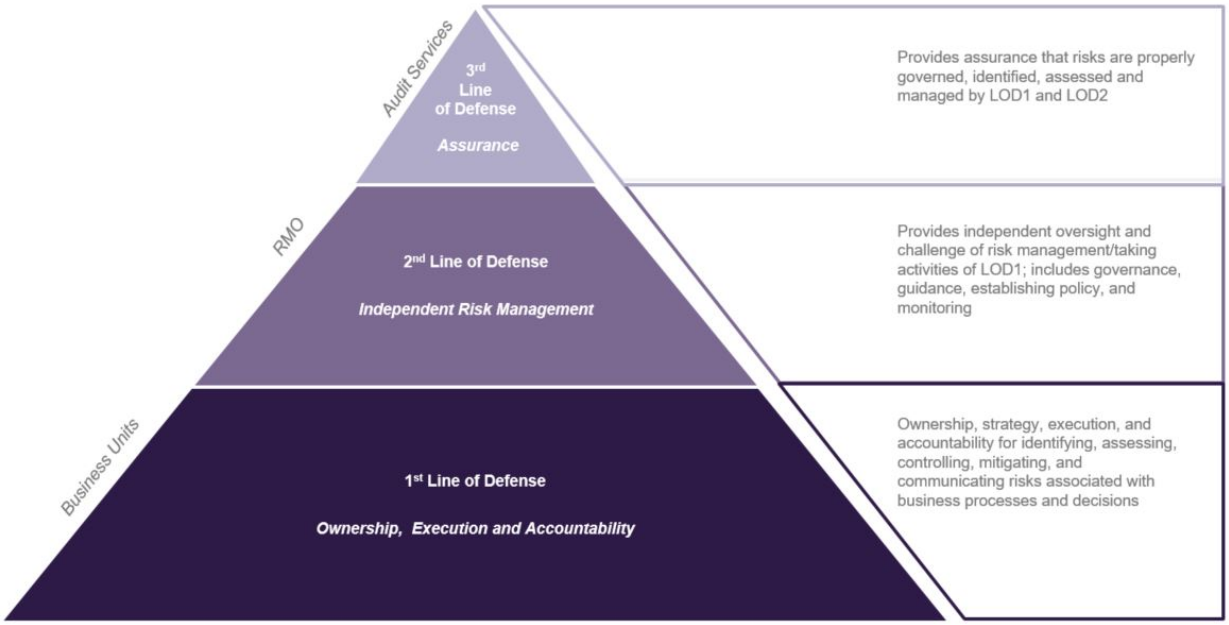
Truist's purpose, mission and values are the foundation for the risk management framework utilized at Truist and therefore serve as the basis on which the risk appetite and risk strategy are built. Truist's RMO provides independent oversight and guidance for risk-taking across the enterprise. In keeping with the belief that consistent values drive long-term behaviors, Truist's RMO has established the following risk values which guide teammates’ day-to-day activities:

- Managing risk is the responsibility of every teammate.
- Proactively identifying risk and managing the inherent risks of their businesses is the responsibility of the business units.
- Managing risk with a balanced approach which includes quality, profitability, and growth.
- Measuring what is managed and managing what is measured.
- Utilizing sound and consistent risk management practices.
- Thoroughly analyzing risk quantitatively and qualitatively.
- Realizing lower cost of capital from high quality risk management.

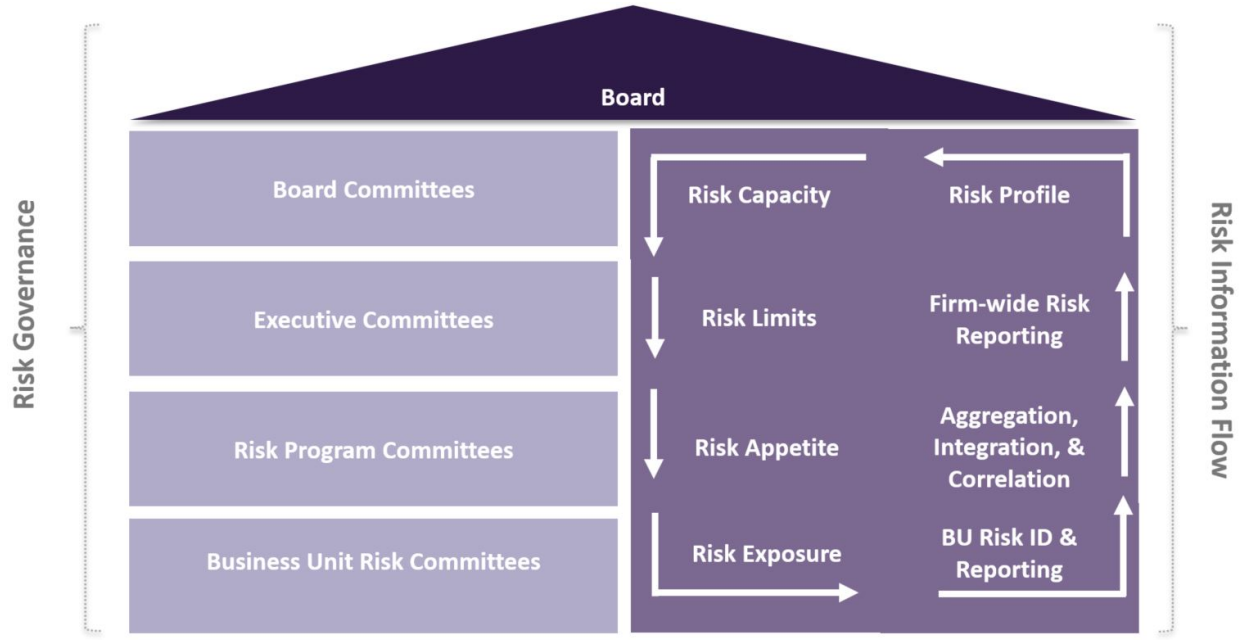
Truist places significant emphasis on risk management oversight and maintains a separate Board-level Risk Committee, which assists the Board in its oversight of the Company's risk management function. The Committee is responsible for approving and periodically reviewing the Company's risk management framework and risk management policies as well as monitoring the Company's risk profile, approving risk appetite statements, and providing input to management regarding Truist's risk appetite and risk profile.

The RMO is led by the CRO and is responsible for overseeing the identification, measurement, monitoring, management and reporting of risk. The CRO has direct access to the Board to communicate any risk issues (current or emerging) as well as the performance of the risk management activities throughout the enterprise.

As illustrated below, the risk management framework is supported by three lines of defense. The following figure describes the roles of the three lines of defense:



Truist's Risk Governance framework is designed to provide comprehensive Board and Executive Leadership risk oversight, maintaining a committee governance structure that is designed to ensure alignment and execution of the risk management framework. The committee structure provides a mechanism to allow for efficient aggregation and escalation of risk information from the BUs up to the risk programs, Executive Leadership and ultimately the Board.



The executive level committees include the ERC, ECRPMC, MRLCC, EBPCC, TMC and DC, each of which is chaired by a member of Executive Leadership. These committees provide oversight of each of the primary risk types.

The ERC establishes a fully integrated view of risks across the company, provides broad strategic oversight of all risk types, and oversees corporate-wide strategies for identifying, assessing, controlling, measuring, monitoring and reporting risk at the enterprise level.

The ERC is responsible for maintaining an effective risk management framework and monitoring its adoption and execution across the enterprise. The ERC is chaired by the CRO and its membership includes all members of Executive Leadership and the General Auditor.

The principal types of inherent risk include market, credit, liquidity, compliance, strategic, reputational, operational and technology risks. The following is a discussion of these risks.

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 BUs. 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 both on its assets and on its liabilities. Since interest rate changes are out of the control of any private sector institution, 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, with the goal of keeping net interest margin as stable as possible. 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 and projected growth and/or contractions, accessibility of funds for short-term needs and capital maintenance.

Deposit betas are an important assumption in the interest rate risk modeling process. Truist applies an average deposit beta (the sensitivity of deposit rate changes relative to market rate changes) of approximately 50% to its 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 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 34: Interest Sensitivity Simulation Analysis

Interest Rate Scenario			Annualized Hypothetical Percentage Change in Net Interest Income	
	Prime Rate			
Linear Change in Prime Rate (bps)	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
Up 100	4.25 %	5.75 %	4.18 %	0.95 %
Up 50	3.75	5.25	3.24	0.75
No Change	3.25	4.75	—	—
Down 25 (1)	3.00	4.50	(1.82)	NA
Down 50 (1)	2.75	4.25	(2.09)	(1.18)

(1) The Down 25 and 50 rates are floored at one basis point and may not reflect Down 25 and 50 basis points for all rate indices.

Truist has established parameters related to interest rate sensitivity measures that prescribe a maximum impact on net interest income under different interest rate scenarios that would result in an escalation to the Board. The following parameters and interest rate scenarios are considered Truist's primary measures of interest rate risk:

- Maximum impact on net interest income of 7.5% for the next 12 months assuming a 25 basis point change in interest rates each quarter for four quarters; and a
- Maximum impact on net interest income of 10% for an immediate 100 basis point parallel change in rates.

This interest rate shock analysis is designed to create an outer bound of acceptable interest rate risk.

Management considers how the interest rate risk position could be impacted by changes in balance sheet mix. Liquidity in the banking industry has been very strong during the current economic cycle. Much of this liquidity increase has resulted in growth in noninterest-bearing demand deposits. Consistent with the industry, Truist has seen a significant increase in this funding source. The behavior of these deposits is one of the most important assumptions used in determining the interest rate risk position of Truist. A decrease in the amount of these deposits in the future would reduce the asset sensitivity of Truist's balance sheet because the Company would increase interest-bearing funds to offset the loss of this advantageous funding source.

The following table shows the results of Truist's interest-rate sensitivity position assuming the loss of demand deposits and an associated increase in managed rate deposits under various 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 35: Deposit Mix Sensitivity Analysis

Linear Change in Rates (bps)	Base Scenario at December 31, 2020 (1)	Results Assuming a Decrease in Noninterest-Bearing Demand Deposits	
		$20 Billion	$40 Billion
Up 100	4.18 %	3.36 %	2.54 %
Up 50	3.24	2.64	2.04

(1) The base scenario is equal to the annualized hypothetical percentage change in net interest income at December 31, 2020 as presented in the preceding table.

Truist also uses an EVE analysis to focus on longer-term projected changes in asset and liability values given potential changes in interest rates. This measure allows Truist to analyze interest rate risk that falls outside the net interest income simulation period. The EVE model is a discounted cash flow of the portfolio of assets, liabilities and derivative instruments. The difference in the present value of assets minus the present value of liabilities is defined as EVE.

The following table shows the effect that the indicated changes in interest rates would have on EVE:

Table 36: EVE Simulation Analysis

Change in Interest Rates (bps)	Hypothetical Percentage Change in EVE	
	Dec 31, 2020	Dec 31, 2019
Up 100	3.9 %	(2.9)%
No Change	—	—
Down 100	(7.6)	(3.0)

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. During October 2020, Truist initiated a new investment securities fair value hedging program, using fixed interest rate swaps to hedge prepayable securities. Truist also uses derivatives to facilitate transactions on behalf of its clients and as part of associated hedging activities. As of December 31, 2020, Truist had derivative financial instruments outstanding with notional amounts totaling $322.9 billion, with an associated net fair value of $3.3 billion. See "Note 19. Derivative Financial Instruments" for additional disclosures.

LIBOR in its current form was anticipated to no longer be available after 2021. For most tenors of U.S. dollar LIBOR, subject to the results of a consultation period ending January 2021, the administrator of LIBOR is considering extending publication until June 30, 2023. Tenors used infrequently by Truist, including one week and two month U.S. dollar LIBOR, are still anticipated to cease publication at December 31, 2021, based on this new guidance. Truist has U.S. dollar LIBOR-based contracts that extend beyond June 30, 2023. To prepare for the transition to an alternative reference rate, management has formed a cross-functional project team to address the LIBOR transition. The project team has performed an assessment to identify the potential risks related to the transition from LIBOR to a new index. The project team provides updates to Executive Leadership and the Board.

Contract fallback language for existing loans and leases is under review and certain contracts will need updated provisions for the transition. Current fallback language used for new, renewed, and modified contracts is generally consistent with ARRC recommendations. Updates to current fallback language will be evaluated according to new regulatory guidance for the extension of timelines for the transition and expectations for production of U.S. dollar LIBOR contracts during 2021. 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 for the transition. Market risks associated with this change are dependent on the alternative reference rates available and market conditions at transition. 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 2020, Truist began offering SOFR-based lending solutions to wholesale and consumer clients, and entered into SOFR-based derivative contracts. Truist expects SOFR to become a more commonly-used pricing benchmark across the industry. Truist continues to evaluate SOFR for additional product offerings and other alternative reference rates as replacements for LIBOR.

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, procedures, and methodologies exist for all covered positions. Additionally, trading positions are subject to independent price verification. See "Note 19. Derivative Financial Instruments," "Note 18. Fair Value Disclosures," and "Critical Accounting Policies" herein for discussion of valuation policies, procedures and methodologies.

Securitizations

As of December 31, 2020, the aggregate market value of on-balance sheet securitization positions subject to the Market Risk Rule was not material. 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 December 31, 2020.

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. Prior to the integration of the two institutional broker dealer businesses to form Truist Securities in the third quarter of 2020, Truist operated two historical VaR models and the aggregate company-wide VaR across the systems was determined additively with no benefit of diversification. The heritage BB&T VaR model was retired following the formation of Truist Securities. Following the formation of Truist Securities, VaR is calculated on a consolidated basis using the Truist VaR engine. 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, profit and loss attribution, 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 both the three and twelve months ended December 31, 2020 and 2019. The increase from the prior year was mainly due to the integration of the heritage SunTrust trading business and the market volatility due to the COVID-19 pandemic. As illustrated in the tables below, the inclusion of volatility levels observed in March 2020 in the 12-month VaR historic look-back window led to a convergence between VaR and Stressed VaR measures.

Table 37: VaR-based Measures

Year Ended December 31,	2020		2019	
(Dollars in millions)	10-Day Holding Period	1-Day Holding Period	10-Day Holding Period	1-Day Holding Period
VaR-based Measures:				
Maximum	$ 65	$ 11	$ 9	$ 2
Average	27	6	1	1
Minimum	3	1	—	—
Period-end	28	7	7	2
VaR by Risk Class:				
Interest Rate Risk		2		2
Credit Spread Risk		9		3
Equity Price Risk		2		2
Foreign Exchange Risk		—		—
Portfolio Diversification		(5)		(5)
Period-end		7		2

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 38: Stressed VaR-based Measures - 10 Day Holding Period

Year Ended December 31, (Dollars in millions)	2020	2019
Maximum	$ 65	$ 33
Average	33	5
Minimum	13	2
Period-end	28	28

The increase from the prior year in stressed VaR-based measures was due to the integration of heritage SunTrust trading business after the Merger and the market volatility due to the COVID-19 pandemic.

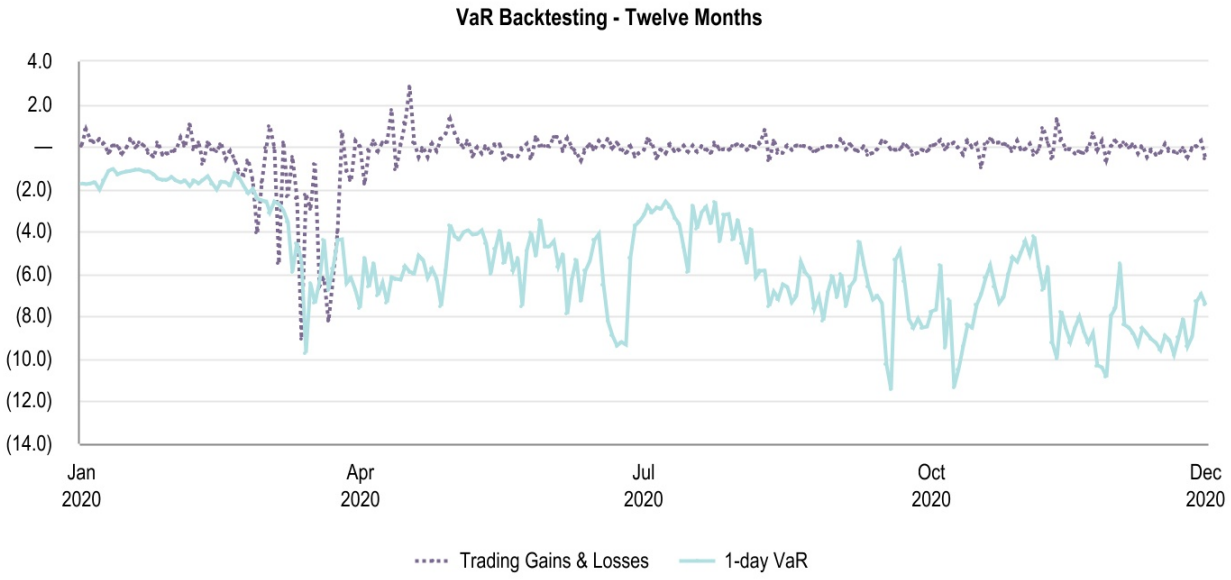
Specific Risk Measures

Specific risk is a measure of idiosyncratic risk that could result from risk factors other than broad market movements (e.g. default, 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.

There were seven company-wide VaR backtesting exceptions during the twelve months ended December 31, 2020, primarily driven by the COVID-19 pandemic, which led to a sudden and significant repricing of instruments in financial markets during the first and second quarters of 2020, as well as an increase in market volatility and deterioration in overall market liquidity. In accordance with established policy and procedure, all company-wide VaR backtesting exceptions are thoroughly reviewed in the context of VaR model use and performance. Following such reviews, Truist determined that the VaR model performed in line with expectations and that the significant moves in underlying market risk factors caused by the COVID-19 pandemic would not typically have been captured within the 1-day VaR measure.



Model Risk Management

MRM 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 MRM 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 to 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 this MD&A for additional discussion of capital adequacy.

Credit Risk

Credit risk is the risk to current or anticipated earnings or capital arising from the default, inability or unwillingness of a borrower, obligor, or counterparty to meet the terms of any financial obligation to Truist or otherwise perform as agreed. Credit risk exists in all activities where success depends on the performance of a borrower, obligor, or counterparty. Credit risk arises when Truist funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether on or off-balance sheet. Credit risk increases when the credit quality of an issuer whose securities or other instruments the bank holds deteriorates.

Truist has established the following general practices to manage credit risk:

- limiting the amount of credit that individual lenders may extend to a borrower;
- establishing a process for credit approval accountability;
- careful initial underwriting and analysis of borrower, transaction, market and collateral risks;
- ongoing servicing and monitoring of individual loans and lending relationships;
- continuous monitoring of the portfolio, market dynamics and the economy; and
- periodically reevaluating the Company's strategy and overall exposure as economic, market and other relevant conditions change.

The following discussion describes the underwriting procedures and overall risk management of Truist's lending function.

Underwriting Approach

The loan portfolio is a primary source of profitability and risk; therefore, proper loan underwriting is critical to Truist's long-term financial success. Truist's underwriting approach is designed to define acceptable combinations of specific risk-mitigating features that promote credit relationships that conform to Truist's risk philosophy. Provided below is a summary of the most significant underwriting criteria used to evaluate new loans and loan renewals:

- *Cash flow and debt service coverage* - cash flow adequacy is a necessary condition of creditworthiness, meaning that loans must either be clearly supported by a borrower's cash flow or, if not, must be justified by secondary repayment sources.
- *Secondary sources of repayment* - alternative repayment funds are a significant risk-mitigating factor as long as they are liquid, can be easily accessed, and provide adequate resources to supplement the primary cash flow source.
- *Value of any underlying collateral* - loans are generally secured by the asset being financed. Because an analysis of the primary and secondary sources of repayment is the most important factor, collateral, unless it is liquid, does not justify loans that cannot be serviced by the borrower's normal cash flows.
- *Overall creditworthiness of the client, taking into account the client's relationships, both past and current, with Truist and other lenders* - Truist's success depends on building lasting and mutually beneficial relationships with clients, which involves assessing their financial position and background.
- *Level of equity invested in the transaction* - in general, borrowers are required to contribute or invest a portion of their own funds prior to any loan advances.

Refer to the "Lending Activities" section in this MD&A for a discussion of each loan and lease portfolio.

Liquidity Risk

Liquidity risk is the risk that (i) Truist will be unable to meet its obligations as they come due because of an inability to obtain adequate funding (funding liquidity risk), or (ii) Truist cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions (market liquidity risk).

Compliance Risk

Compliance risk is the risk to current or anticipated earnings or capital arising from violations of laws, rules or regulations, or from non-conformance with prescribed practices, internal policies and procedures or ethical standards. This risk exposes Truist to fines, civil monetary penalties, payment of damages and the voiding of contracts. Compliance risk can result in diminished reputation, reduced franchise or enterprise value, limited business opportunities and lessened expansion potential.

Strategic Risk

Strategic risk is the risk of financial loss, diminished stakeholder confidence, or negative impact to human capital resulting from ineffective strategy setting and execution, adverse business decisions, or lack of responsiveness to changes in the banking industry and operating environment. Truist is committed to fulfilling its overall strategic objectives by selecting business strategies and operating businesses in a manner consistent with achieving profitability/earnings growth and maintaining strong confidence and trust with its key stakeholder constituencies.

Reputation Risk

Reputation risk is the risk to current or anticipated earnings, capital, enterprise value, the Truist brand, and public confidence arising from negative publicity or public opinion, whether real or perceived, regarding Truist's business practices, products, services, transactions, or other activities undertaken by Truist, its representatives, or its partners. A negative reputation may impair Truist's relationship with clients, teammates, communities or shareholders, and it is often a residual risk that arises when other risks are not managed properly.

Operational Risk

Operational risk is the risk to current or anticipated earnings or capital arising from inadequate or failed internal processes, people and systems or from external events. It includes legal risk, which is the risk of loss arising from defective transactions, litigation or claims made, or the failure to adequately protect company-owned assets. An operational loss occurs when an event results in a loss or reserve originating from operational risk.

Model Risk

Model risk is the risk to current or anticipated earnings or capital from decisions based on incorrect or misused model outputs. Truist uses models for many purposes, including the valuation of financial positions, estimation of credit losses, and the measurement of risk. Valuation models are used to value certain financial instruments for which quoted prices may not be readily available. Valuation models are also used as inputs for VaR, the estimation of VaR itself, regulatory capital, stress testing and the ACL. Models are owned by the applicable BUs, who are responsible for the development, implementation and use of their models. Oversight of these functions is performed by the MRM, which is a component of the RMO. Once models have been approved, model owners are responsible for the maintenance of an appropriate operating environment and must monitor and evaluate the performance of the models on a recurring basis. Models are updated in response to changes in portfolio composition, industry and economic conditions, technological capabilities and other developments.

MRM manages model risk in a holistic manner through a suite of model governance and model validation activities. The risk of each model is assessed and classified into various risk tiers. Additionally, MRM maintains an enterprise-wide model inventory containing relevant model information. Regarding model validation, MRM utilizes internal validation analysts and managers with skill sets in predictive modeling to perform detailed reviews of model development, implementation and conceptual soundness. On certain occasions, the MRM will also engage external parties to assist with validation efforts. Once in a production environment, MRM assesses a model's performance on a periodic basis through ongoing monitoring reviews. MRM tracks issues that have been identified during model validation or through ongoing monitoring, and engages with model owners to ensure their timely remediation. MRM gauges model risk utilizing a collection of key risk indicators, which are periodically reported to relevant committees, including but not limited to, the Model Risk Management Committee as well as the Board Risk Committee. MRM will also present model risk topics to the Board Risk Committee as necessary.

Merger Integration Risk

The Truist Merger Program was designed to ensure successful integration following the Merger through strong governance practices and controls, with processes, metrics and reporting exemplifying a strong risk culture. The core Truist Merger Program structure consists of key stakeholders from each line of business. Integration activities and risk mitigation are monitored through established workgroups and Truist Merger Program leadership, with oversight and escalation into the Merger Oversight Committee (as the primary committee), TMC and Board Technology Committee.

Technology Risk

Technology risk is the business risk associated with the use, ownership, operation, involvement, influence and adoption of information technology across the Company. Truist has defined and adopted a technology risk framework that provides the foundation for technology risk strategy, program and oversight and defines key objectives, operating model components, risk domains and capabilities to manage this risk.

Digital technology is constantly evolving, and new and unforeseen threats and actions by others may disrupt operations or result in losses beyond Truist's risk control thresholds. Truist maintains a comprehensive risk-based information security / cybersecurity framework implemented through people, processes, and technology whereby Truist actively monitors and evaluates threats, events, and the performance of its business operations and continually adapts its risk mitigation activities accordingly.

Truist's framework aligns with those of the National Institute of Standards and Technology, the International Standards Organization 27000 series, the IT Governance Institute, and the Control Objectives for Information and Related Technology, as well as conforms with the requirements and guidance from applicable regulatory authorities, including the Federal Financial Institutions Examination Council. In addition, Truist's framework, which includes internally and externally focused capabilities, drives the development and implementation of Truist's holistic data security strategy that is designed to reduce risk while enabling Truist's corporate business objectives.

Truist has built an organization with dedicated, skilled talent to operationalize Truist's cybersecurity strategy. The cybersecurity strategy is enabled by continuous enhancement of Truist's multilayered defenses including advanced capabilities for early and rapid cyber threat identification, detection, protection, response, and recovery. Truist participates in the federally recognized financial sector information sharing organization structure, known as the Financial Services Information Sharing and Analysis Center as a key part of the Company's cyber threat intelligence and response programs, as well as other industry organizations and initiatives that promote industry best practices such as harmonized cybersecurity standards, cyber readiness, and secure consumer financial data sharing.

To further mitigate the risks presented by an evolving cyber threat landscape, Truist provides data protection guidance to clients and promotes data protection awareness and accountability through mandatory teammate training. Truist conducts scenario-driven test exercises simulating impacts and consequences developed through analysis of real-world technology incidents as well as known and anticipated cyber threats. These exercises are designed to assess the viability of Truist's crisis response and management programs and provide the basis for continuous improvement.

Truist's cybersecurity risk program is overseen by Executive Leadership and the Board. Regular updates on the status of the cybersecurity risk program, including information security risks and incidents, emerging threats, and control environment, are aggregated and escalated to Executive Leadership and the Board. Additionally, Truist has a Cyber Incident Response Team that manages significant cyber-specific events with escalation up to Executive Leadership and the Board. Truist's framework requires annual exercises at a minimum to test Truist's preparedness. The Board devotes significant time and attention to its oversight of cyber security risk and approves related information security policies. Although Truist has invested substantial resources to manage and reduce cybersecurity risk, it is not possible to completely eliminate this risk. Truist obtains insurance that protects against certain losses, expenses, and damages associated with cybersecurity risk. See Item 1A, "Risk Factors," for additional information regarding cybersecurity risk.

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. As of December 31, 2020 and December 31, 2019, Truist's liquid asset buffer, as a percent of total assets, was 20.2% and 16.5%, respectively.

The LCR rule directs large U.S. banking organizations to hold unencumbered high-quality liquid assets sufficient to withstand projected 30-day total net cash outflows, each as defined under the LCR rule. As of January 1, 2020, Truist is subject to the Category III reduced LCR requirements. Truist's average LCR was 113% for the three months ended December 31, 2020, well above the regulatory minimum of 100%.

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, retirement of common stock, and payments on long-term debt.

See "Note 22. Parent Company Financial Information" 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 December 31, 2020 and December 31, 2019, the Parent Company had 43 months and 29 months, respectively, of cash on hand to satisfy projected cash outflows, and 22 months and 20 months, respectively, when including the payment of common stock dividends.

Truist Bank

Truist carefully manages liquidity risk at Truist Bank. 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. At December 31, 2020, Truist Bank had approximately $198.7 billion of available secured borrowing capacity, which represents approximately 9.4 times the amount of wholesale funding maturities in one-year or less. In addition to secured borrowing sources, Truist had excess eligible cash at the Federal Reserve Bank of $13.4 billion at December 31, 2020.

The ability to raise funding at competitive prices is affected by the rating agencies' views of the Parent Company's and Truist Bank's credit quality, liquidity, capital and earnings. Management meets with the rating agencies on a regular basis to discuss current outlooks. In April 2020, DBRS revised its outlook for Truist and Truist Bank from "positive" to "stable," citing economic deterioration related to COVID-19. DBRS affirmed all other ratings for Truist and Truist Bank. Additionally, Fitch revised its outlook for Truist and Truist Bank from "stable" to "negative," also citing pandemic-related economic deterioration. Fitch downgraded Truist's subordinated debt to A-, and upgraded Truist's preferred stock to BBB, in order to align these ratings to its recently revised bank rating methodology.

In July 2020, Fitch completed the implementation of its revised bank rating methodology. As a result, Fitch downgraded Truist's senior unsecured debt to A and affirmed Truist Bank's senior unsecured and subordinated debt ratings. This rating action taken by Fitch was solely a function of implementing its revised bank rating methodology and did not reflect a change in Fitch's current or expected view of Truist's or Truist Bank's credit fundamentals.

The ratings for Truist and Truist Bank by the major rating agencies are detailed in the table below:

Table 39: Credit Ratings of Truist Financial Corporation and Truist Bank

	S&P	Moody's	Fitch	DBRS Morningstar
Truist Financial Corporation:				
Issuer	A- / A-2	A3	A+ / F1	AH / R-1L
Senior unsecured	A-	A3	A	AH
Subordinated	BBB+	A3	A-	A
Preferred stock	BBB-	Baa2(hyb)	BBB	BBBH
Truist Bank:				
Issuer	A / A-1	A2	A+ / F1	AAL / R-1M
Senior unsecured	A	A2	A+	AAL
Deposits	NA	Aa2 / P-1	AA- / F1+	AAL / R-1M
Subordinated	A-	(P) A3	A	AH
Ratings outlook:				
Credit trend	Stable	Stable	Negative	Stable

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 various "stress" scenarios. Additionally, the plan provides a framework for management and other critical personnel 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.

Management believes current sources of liquidity are adequate to meet Truist's current requirements and plans for continued growth. See "Note 9. Other Assets and Liabilities," "Note 11. Borrowings" and "Note 16. Commitments and Contingencies" for additional information regarding outstanding balances of sources of liquidity and contractual commitments and obligations.

Contractual Obligations, Commitments, Contingent Liabilities and Off-Balance Sheet Arrangements

The following table presents Truist's contractual obligations by payment date as of December 31, 2020. The payment amounts represent amounts contractually due. The table excludes liabilities recorded where management cannot reasonably estimate the timing of any payments that may be required. UTBs, which represent a reserve for tax positions taken or expected to be taken, which ultimately may not be sustained upon examination by taxing authorities, have been excluded from the table below since the ultimate amount and timing of any future tax settlements are uncertain. Refer to "Note 14. Income Taxes" for additional details related to UTBs.

Table 40: Contractual Obligations and Other Commitments

December 31, 2020 (Dollars in millions)	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	After 5 Years
Long-term debt (1)	$ 39,602	$ 5,373	$ 14,375	$ 11,106	$ 8,748
Operating leases	2,079	361	677	468	573
Commitments to fund affordable housing investments	1,057	623	364	27	43
Renewable energy, private equity and certain other equity method investment commitments (2)	547	284	145	74	44
Time deposits	21,941	17,438	3,860	593	50
Contractual interest payments (3)	3,723	1,012	1,407	838	466
Purchase obligations (4)	2,020	705	739	401	175
Nonqualified benefit plan obligations (5)	1,914	22	54	53	1,785
Total contractual cash obligations	$ 72,883	$ 25,818	$ 21,621	$ 13,560	$ 11,884

(1) Amounts include imputed interest of $5 million related to finance leases.
(2) Based on estimated payment dates.
(3) Includes accrued interest and future contractual interest obligations. Variable rate payments are based upon the rate in effect at December 31, 2020.
(4) Represents obligations to purchase goods or services that are enforceable and legally binding. Many of the purchase obligations have terms that are not fixed and determinable and are included in the table above based upon the estimated timing and amount of payment. In addition, certain of the purchase agreements contain clauses that would allow Truist to cancel the agreement with specified notice; however, that impact is not included in the table above.
(5) Although technically unfunded plans, rabbi trusts and insurance policies on the lives of certain of the covered employees are available to finance future benefit plan payments.

Truist's commitments include investments in affordable housing projects throughout its market area, renewable energy credits, and private equity funds. Refer to "Note 1. Basis of Presentation" and "Note 16. Commitments and Contingencies" for further discussion of these commitments. In addition, Truist enters into derivative contracts to manage various financial risks. Further discussion of derivative instruments is included in "Note 1. Basis of Presentation" and "Note 19. Derivative Financial Instruments." Further discussion related to the nature of Truist's obligations is included in "Note 16. Commitments and Contingencies." Further discussion of Truist's commitments is included in "Note 16. Commitments and Contingencies" and "Note 18. Fair Value Disclosures."

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 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 overriding policy is to maintain capital at levels that are in excess of internal capital targets, which are above the regulatory "well capitalized" minimums. Management has implemented stressed capital ratio minimum targets to evaluate whether capital ratios calculated after the effect of alternative capital actions are likely to remain above minimums specified by the FRB for the annual CCAR process. Breaches of stressed minimum targets prompt a review of the planned capital actions included in Truist's capital plan.

Table 41: Capital Requirements and Targets

		Well Capitalized			Truist Targets (1)	
	Minimum Capital	Truist	Truist Bank	Minimum Capital Plus Stress Capital Buffer (3)	Interim Operating (2)	Stressed
CET1	4.5 %	NA	6.5 %	7.2 %	8.0 %	7.2 %
Tier 1 capital	6.0	6.0	8.0	8.7	9.3	8.7
Total capital	8.0	10.0	10.0	10.7	11.3	10.7
Leverage ratio	4.0	NA	5.0	NA	7.5	7.0
Supplementary leverage ratio	3.0	NA	NA	NA	6.5	6.0

(1) The Truist targets are subject to revision based on finalization of pending regulatory guidance and other strategic factors.
(2) Truist's goal is to maintain capital levels above all regulatory minimums.
(3) Reflects a SCB of 270 basis points for Truist.

During the first quarter of 2020, as market conditions evolved, Truist received Board approval to establish new interim operating targets that provide for sufficient capital levels while allowing the company to support clients through the economic downturn. These interim operating targets will be evaluated as economic conditions evolve.

While nonrecurring events or management decisions may result in the Company temporarily falling below its operating targets for one or more of these ratios, it is management's intent to return to these operating targets within a reasonable period of time through capital planning. Such temporary decreases below the operating minimums shown above are not considered an infringement of Truist's overall capital policy, provided a return above the minimums is forecasted to occur within a reasonable time period.

In August 2020, the Federal Reserve informed Truist of its SCB of 270 basis points for risk-based capital ratios. This buffer was determined based on stress testing results developed by the Federal Reserve and is effective from October 1, 2020 through September 30, 2021, at which point a revised SCB will be calculated and provided to Truist. Consistent with the Federal Reserve’s mandate across the industry, Truist resubmitted its capital plan in November 2020 to reflect changes in financial markets and the macroeconomic outlook. Truist’s review of the results of the 2020 CCAR supervisory stress test notes that the modeled outcomes shown by the FRB differ from those calculated by the Company. Truist believes those differences are attributable in part to the application of purchase accounting associated with the Merger. Purchase accounting adjustments could result in a reduction in provision expense and an increase in pre-provision net revenue. These differences could result in higher capital ratios than were reflected in the CCAR results.

In December 2020, the Board of Directors authorized the repurchase of up to $2.0 billion of the Company’s common stock beginning in the first quarter of 2021, as well as certain other actions to optimize Truist’s capital position. Management’s intention is to maintain an approximate 10% Common Equity Tier 1 ratio after considering strategic actions such as non-bank acquisitions or stock repurchases, as well as changes in risk-weighted assets. Any stock repurchase activity will be informed by economic and regulatory considerations as well as Truist’s capital position, earnings outlook, and capital deployment priorities.

Payments of cash dividends and repurchases of common shares are the methods used to manage any excess capital generated. In addition, management closely monitors the Parent Company's double leverage ratio (investments in subsidiaries as a percentage of shareholders' equity). The active management of the subsidiaries' equity capital, as described above, is the process used to manage this important driver of Parent Company liquidity and is a key element in the management of Truist's capital position.

Management intends to maintain capital at Truist Bank at levels that will result in classification as "well-capitalized" for regulatory purposes. Secondarily, it is management's intent to maintain Truist Bank's capital at levels that result in regulatory risk-based capital ratios that are generally comparable with peers of similar size, complexity and risk profile. If the capital levels of Truist Bank increase above these guidelines, excess capital may be transferred to the Parent Company in the form of special dividend payments, subject to regulatory and other operating considerations.

Management's capital deployment plan in order of preference is to focus on (i) organic growth, (ii) dividends, and (iii) strategic opportunities and/or share repurchases depending on opportunities in the marketplace and Truist's interest and ability to proceed with acquisitions.

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

Table 42: Capital Ratios - Truist Bank

December 31,	2020	2019
CET1 to risk-weighted assets	11.0 %	10.6 %
Tier 1 capital to risk-weighted assets	11.0	10.6
Total capital to risk-weighted assets	13.0	12.0
Leverage ratio (1)	8.7	14.5
Supplementary leverage ratio (2)	7.5	NA

(1) The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the Merger impacted the 4Q19 result.
(2) Truist Bank became subject to the supplementary leverage ratio as of January 1, 2020.

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

Table 43: Capital Ratios - Truist Financial Corporation

December 31, (Dollars in millions, except per share data, shares in thousands)	2020	2019
Risk-based:		
CET1 capital to risk-weighted assets	10.0 %	9.5 %
Tier 1 capital to risk-weighted assets	12.1	10.8
Total capital to risk-weighted assets	14.5	12.6
Leverage ratio (1)	9.6	14.7
Supplementary leverage ratio (2)	8.7	NA
Non-GAAP capital measure (3):		
Tangible common equity per common share	$ 26.78	$ 25.93
Calculation of tangible common equity (3):		
Total shareholders' equity	$ 70,912	$ 66,558
Less:		
Preferred stock	8,048	5,102
Noncontrolling interests	105	174
Goodwill and intangible assets, net of deferred taxes	26,629	26,482
Tangible common equity	$ 36,130	$ 34,800
Risk-weighted assets	$ 379,153	$ 376,056
Common shares outstanding at end of period	1,348,961	1,342,166

(1) The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the Merger impacted the 4Q19 result.
(2) Truist became subject to the supplementary leverage ratio as of January 1, 2020.
(3) 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 the quality of capital and returns relative to balance sheet risk. These capital measures are not necessarily comparable to similar capital measures that may be presented by other companies.

Capital ratios improved compared to year-end 2020, due to growth in CET1 capital, partially offset by higher risk-weighted assets. Truist's capital levels remain strong compared to the regulatory levels for well capitalized banks at December 31, 2020. Truist’s other capital measures also improved as Truist issued various capital instruments to strengthen its capital position. Truist issued $3.5 billion of preferred stock and redeemed $500 million of Series K preferred stock during 2020. In addition, Truist issued $1.3 billion of subordinated debt. During 2020,Truist paid $2.4 billion in common stock dividends or $1.80 per share, which resulted in a total payout ratio of 58.0% for the year.

Table 44: Quarterly Financial Summary – Unaudited

	2020				2019			
(Dollars in millions, except per share data)	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Consolidated summary of operations:								
Interest income	$ 3,611	$ 3,623	$ 3,888	$ 4,426	$ 2,812	$ 2,218	$ 2,206	$ 2,173
Interest expense	245	261	440	776	585	518	516	477
Provision for credit losses	177	421	844	893	171	117	172	155
Noninterest income	2,285	2,210	2,423	1,961	1,398	1,303	1,352	1,202
Noninterest expense	3,833	3,755	3,878	3,431	2,575	1,840	1,751	1,768
Provision for income taxes	311	255	191	224	153	218	234	177
Net income	1,330	1,141	958	1,063	726	828	885	798
Noncontrolling interest	1	3	3	3	5	3	(1)	6
Preferred stock dividends	101	70	53	74	19	90	44	43
Net income available to common shareholders	$ 1,228	$ 1,068	$ 902	$ 986	$ 702	$ 735	$ 842	$ 749
Basic EPS	$ 0.91	$ 0.79	$ 0.67	$ 0.73	$ 0.76	$ 0.96	$ 1.10	$ 0.98
Diluted EPS	$ 0.90	$ 0.79	$ 0.67	$ 0.73	$ 0.75	$ 0.95	$ 1.09	$ 0.97
Selected average balances:								
Assets	$ 503,181	$ 500,826	$ 514,720	$ 477,550	$ 302,059	$ 232,420	$ 229,249	$ 225,573
Securities, at amortized cost	102,053	79,828	75,159	75,701	60,699	48,900	46,115	46,734
Loans and leases (1)	308,188	315,691	326,435	307,748	193,641	152,042	151,557	148,790
Total earning assets	438,666	435,394	446,825	413,533	263,115	203,408	200,839	197,721
Deposits	375,266	372,211	370,818	334,649	210,716	161,992	159,891	160,045
Short-term borrowings	6,493	6,209	8,998	18,900	11,489	8,307	8,367	5,624
Long-term debt	40,284	40,919	55,537	46,547	29,888	22,608	23,233	23,247
Total interest-bearing liabilities	294,940	295,373	321,478	306,961	187,608	140,407	138,811	136,633
Shareholders' equity	70,145	69,634	66,863	65,412	41,740	32,744	31,301	30,541

(1) Loans and leases are net of unearned income and include LHFS.

Fourth Quarter 2020 Results Compared to Fourth Quarter 2019

Total taxable-equivalent revenues were $5.7 billion for the fourth quarter of 2020, an increase of $2.0 billion compared to the earlier quarter, reflecting an increase of $1.1 billion in taxable-equivalent net interest income and an increase of $887 million in noninterest income.

Net interest margin was 3.08%, down 33 basis points compared to the earlier quarter. Average earning assets increased $175.6 billion. The increase in average earning assets reflects a $114.5 billion increase in average total loans and leases and a $41.4 billion increase in average securities. Average other earning assets increased $17.5 billion primarily due to higher interest-earning balances at the Federal Reserve. Average interest-bearing liabilities increased $107.3 billion compared to the earlier quarter. Average interest-bearing deposits increased $101.9 billion, average long-term debt increased $10.4 billion and average short-term borrowings decreased $5.0 billion. The significant increases in earning assets and liabilities are primarily due to the Merger, as well as impacts from the COVID-19 pandemic and the resulting government stimulus programs.

The yield on the total loan portfolio for the fourth quarter of 2020 was 4.12%, down 79 basis points compared to the earlier quarter, reflecting the impact of rate decreases, partially offset by purchase accounting accretion from merged loans. The yield on the average securities portfolio was 1.60%, down 105 basis points compared to the earlier quarter primarily due to lower yields on new purchases.

The average cost of total deposits was 0.07%, down 50 basis points compared to the earlier quarter, and the average cost of interest-bearing deposits was 0.11%, down 71 basis points compared to the earlier quarter. The average rate on short-term borrowings was 0.77%, down 138 basis points compared to the earlier quarter. The average rate on long-term debt was 1.64%, down 128 basis points compared to the earlier quarter. The lower rates on interest-bearing liabilities reflect the lower rate environment. The lower rates on long-term debt also reflect the amortization of the fair value mark on the assumed debt and the issuance of new long-term debt.

The provision for credit losses was $177 million, compared to $171 million for the earlier quarter. Net charge-offs for the fourth quarter of 2020 totaled $205 million compared to $192 million in the earlier quarter. The net charge-off rate for the current quarter of 0.27% was down 13 basis points compared to the fourth quarter of 2019.

Noninterest income for the fourth quarter of 2020 increased $887 million compared to the earlier quarter. The earlier quarter included a loss of $116 million from the sale of securities. Excluding the securities losses, noninterest income increased $771 million, with nearly all categories of noninterest income being impacted by the Merger. Insurance income increased $36 million due to strong production and premium growth, as well as acquisitions. Investment banking and trading income, commercial real estate related income, wealth management income and residential mortgage banking income all had improved performance compared to the combined levels from the earlier quarter. Service charges on deposits continued to rebound, but remained below 2019 combined levels due to reduced overdraft incident rates.

Noninterest expense for the fourth quarter of 2020 was up $1.3 billion compared to the earlier quarter. Merger-related and restructuring charges and other incremental operating expenses related to the Merger increased $85 million and $78 million, respectively. Excluding the merger-related items mentioned above and the impact of an increase of $101 million of amortization expense for intangibles, adjusted noninterest expense was up $994 million primarily reflecting the impact of the Merger.

The provision for income taxes was $311 million for the fourth quarter of 2020, compared to $153 million for the earlier quarter. This produced an effective tax rate for the fourth quarter of 2020 of 19.0%, compared to 17.4% for the earlier quarter. The higher effective tax rate is primarily due to higher pre-tax income.

Reclassifications

In certain circumstances, reclassifications have been made to prior period information to conform to the current presentation. Such reclassifications had no effect on previously reported shareholders' equity or net income. Refer to "Note 1. Basis of Presentation" for additional discussion regarding reclassifications.

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. The 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. Understanding Truist's accounting policies is fundamental to understanding the consolidated financial position and consolidated results of operations. Accordingly, Truist's significant accounting policies and effects of new accounting pronouncements are discussed in detail in "Note 1. Basis of Presentation."

The following is a summary of Truist's critical accounting policies that are highly dependent on estimates, assumptions and judgments. These critical accounting policies are reviewed with the Audit Committee of the Board of Directors on a periodic basis.

ACL

Truist's policy is to maintain an ACL, which represents management's best estimate of expected future credit losses related to the loan and lease portfolios and off-balance sheet lending commitments at the balance sheet date. Estimates of expected future loan and lease losses are determined by using statistical models and management’s judgement. The models are designed to forecast probability of default, exposure at default and loss given default by correlating certain macroeconomic forecast data to historical experience. The models are generally applied at the portfolio level to pools of loans with similar risk characteristics. The macroeconomic data used in the models is based on forecasted variables for the reasonable and supportable period of two years. Beyond this forecast period the models gradually revert to long-term historical loss conditions over a one year period. Expected losses are estimated through contractual maturity, giving appropriate consideration to expected prepayments unless the borrower has a right to renew that is not cancellable or it is reasonably expected that the loan will be modified as a TDR.

A qualitative allowance which incorporates management’s judgement is also included in the estimation of expected future loan and lease losses, including qualitative adjustments in circumstances where the model output is inconsistent with management’s expectations with respect to expected credit losses. This allowance is used to adjust for limitations in modeled results related to the current economic conditions and capture risks in the portfolio such as considerations with respect to the impact of current economic events, the outcomes of which are uncertain. These events may include, but are not limited to, political conditions, legislation that may directly or indirectly affect the banking industry and economic conditions affecting specific geographical areas and industries in which Truist conducts business.

Loans and leases that do not share similar risk characteristics and significant loans that are considered collateral-dependent are individually evaluated. For these loans, the ALLL is determined through review of data specific to the borrower and related collateral, if any. For TDRs, default expectations and estimated prepayment speeds that are specific to each of the restructured loan populations are incorporated in the determination of the ALLL.

The methodology used to determine an estimate for the RUFC is similar to that used to determine the funded component of the ALLL and is measured over the period there is a contractual obligation to extend credit that is not unconditionally cancellable. The RUFC is adjusted for factors specific to binding commitments, including the probability of funding and exposure at default. A detailed discussion of the methodology used in determining the ACL is included in "Note 1. Basis of Presentation."

Fair Value of Financial Instruments

The vast majority of assets and liabilities measured at fair value on a recurring basis are based on either quoted market prices or market prices for similar instruments. Refer to "Note 18. Fair Value Disclosures" for additional disclosures regarding the fair value of financial instruments and "Note 2. Business Combinations" for additional disclosures regarding business combinations.

Securities

Truist generally utilizes a third-party pricing service in determining the fair value of its AFS investment securities, whereas trading securities are priced internally. Fair value measurements for investment securities are derived from market-based pricing matrices that were developed using observable inputs that include benchmark yields, benchmark securities, reported trades, offers, bids, issuer spreads and broker quotes. Management performs procedures to evaluate the fair values provided by the third-party service provider. These procedures, which are performed independent of the responsible BU, include comparison of pricing information received from the third party pricing service to other third-party pricing sources, review of additional information provided by the third-party pricing service and other third-party sources for selected securities and back-testing to compare the price realized on security sales to the daily pricing information received from the third-party pricing service. The Enterprise Valuation Committee, which provides oversight to Truist's enterprise-wide IPV function, is responsible for the comparison of pricing information received from the third-party pricing service or internally to other third-party pricing sources, approving tolerance limits determined by IPV for price comparison exceptions, reviewing significant changes to pricing and valuation policies and reviewing and approving the pricing decisions made on any illiquid and hard-to-price securities. When market observable data is not available, which generally occurs due to the lack of liquidity or inactive markets for certain securities, the valuation of the security is subjective and may involve substantial judgment by management to reflect unobservable input assumptions.

MSRs

Truist's primary class of MSRs for which it separately manages the economic risks relates to residential mortgages. Residential MSRs do not trade in an active, open market with readily observable prices. While sales of MSRs do occur, the precise terms and conditions typically are not readily available. Accordingly, Truist estimates the fair value of residential MSRs using a stochastic OAS valuation model to project residential MSR cash flows over multiple interest rate scenarios, which are then discounted at risk-adjusted rates. The OAS model considers portfolio characteristics, contractually-specified servicing fees, prepayment assumptions, delinquency rates, late charges, other ancillary revenue, costs to service and other economic factors. Truist reassesses and periodically adjusts the underlying inputs and assumptions in the OAS model to reflect market conditions and assumptions that a market participant would consider in valuing the residential MSR asset.

Fair value estimates and assumptions are compared to industry surveys, recent market activity, actual portfolio experience and, when available, observable market data. Due to the nature of the valuation inputs, residential MSRs are classified within Level 3 of the valuation hierarchy. The value of residential MSRs is significantly affected by mortgage interest rates available in the marketplace, which influence mortgage loan prepayment speeds. In general, during periods of declining interest rates, the value of MSRs declines due to increasing prepayments attributable to increased mortgage-refinance activity. Conversely, during periods of rising interest rates, the value of residential MSRs generally increases due to reduced refinance activity. Truist typically hedges against market value changes in the residential MSRs. Refer to "Note 8. Loan Servicing" for quantitative disclosures reflecting the effect that changes in management's assumptions would have on the fair value of residential MSRs.

LHFS

Truist originates certain residential and commercial mortgage loans for sale to investors that are measured at fair value. The fair value is primarily based on quoted market prices for securities backed by similar types of loans. Changes in the fair value are recorded as components of residential mortgage income and commercial real estate related income, while the related origination costs are generally recognized in personnel expense when incurred. The changes in fair value are largely driven by changes in interest rates subsequent to loan funding and changes in the fair value of servicing associated with the LHFS. Truist uses various derivative instruments to mitigate the economic effect of changes in fair value of the underlying loans. LHFS also includes certain loans, generally carried at LOCOM, where management has committed to a formal plan of sale and the loans are available for immediate sale. Adjustments to reflect unrealized gains and losses resulting from changes in fair value, up to the original carrying amount, and realized gains and losses upon ultimate sale are classified as noninterest income. The fair value of these loans is estimated using observable market prices when available, although may also incorporate other unobservable inputs such as indicative bids or broker price opinions. Refer to "Note 1. Basis of Presentation" for further description of the Company’s accounting for LHFS.

Trading Loans

Truist elects to measure certain loans at fair value for financial reporting where fair value aligns with the underlying business purpose. Specifically, loans included within this classification include trading loans that are (i) purchased in connection with the Company's TRS business, (ii) part of the loan sales and trading business within the C&CB segment, or (iii) backed by the SBA. Refer to "Note 16. Commitments and Contingencies," and "Note 19. Derivative Financial Instruments," for further discussion of the Company's TRS business. The loans purchased in connection with the Company's TRS and sales and trading businesses are primarily commercial and corporate leveraged loans valued based on quoted prices for identical or similar instruments in markets that are not active by a third party pricing service. SBA loans are fully guaranteed by the U.S. government as to contractual principal and interest and there is sufficient observable trading activity upon which to base the estimate of fair value.

Derivative Assets and Liabilities

Truist uses derivatives to manage various financial risks and in a dealer capacity to facilitate client transactions. Truist mitigates credit risk by subjecting counterparties to credit reviews and approvals similar to those used in making loans and other extensions of credit. In addition, certain counterparties are required to provide collateral to Truist when their unsecured loss positions exceed certain negotiated limits. The fair values of derivative financial instruments are determined based on quoted market prices and internal pricing models that use market observable data for interest rates, foreign exchange, equity and credit. The fair value of interest rate lock commitments, which are related to mortgage loan commitments, is based on quoted market prices adjusted for commitments that Truist does not expect to fund and includes the value attributable to the net servicing fee. Refer to "Note 19. Derivative Financial Instruments" for further information on the Company's derivatives.

Purchased loans

The fair value for purchased loans in a business combination is based on a discounted cash flow methodology that considers credit loss expectations, market interest rates and other market factors such as liquidity from the perspective of a market participant. Loans are grouped together according to similar characteristics and are treated in the aggregate when applying various valuation techniques. The probability of default, loss given default and prepayment assumptions are key factors driving credit losses which are embedded into the estimated cash flows. These assumptions are informed by internal data on loan characteristics, historical loss experience, and current and forecasted economic conditions. The interest and liquidity component of the estimate is determined by discounting interest and principal cash flows through the expected life of each loan. The discount rates used for loans are based on current market rates for new originations of comparable loans and include adjustments for liquidity. The discount rate does not include a factor for credit losses as that has been included as a reduction to the estimated cash flows.

Intangible Assets

The acquisition method of accounting requires that assets acquired and liabilities assumed in business combinations are recorded at their fair values. This often involves estimates based on third party valuations or internal valuations based on discounted cash flow analyses or other valuation techniques, which are inherently subjective. The amortization of definite-lived intangible assets is based upon the estimated economic benefits to be received, which is also subjective. Business combinations also typically result in goodwill, which is subject to ongoing periodic impairment tests based on the fair values of the reporting units to which the acquired goodwill relates. Refer to "Note 1. Basis of Presentation" for a description of the impairment testing process.

At December 31, 2020, Truist's reporting units with goodwill balances were CB&W, C&CB and IH. Management reviews the goodwill of each reporting unit for impairment on an annual basis as of October 1 or more often if events or circumstances indicate that it is more-likely-than-not that the fair value of a reporting unit is below its carrying value. For its annual impairment review, Truist elected to perform a quantitative test of each of its reporting units. The quantitative impairment test estimates the fair value of the reporting units using the income approach and the market approach, weighted 60% and 40%, respectively. The income approach utilizes a discounted cash flow analysis. The market approach utilizes comparable public company information, key valuation multiples and considers a market control premium associated with cost synergies and other cash flow benefits that arise from obtaining control over a reporting unit.

The inputs and assumptions specific to each reporting unit are incorporated in the valuations, including projections of future cash flows, discount rates, and applicable valuation multiples based on the comparable public company information. Truist also assesses the reasonableness of the aggregate estimated fair value of the reporting units by comparison to its market capitalization over a reasonable period of time, including consideration of historic bank control premiums and the current market.

Multi-year financial forecasts are developed for each reporting unit by considering several inputs and assumptions such as net interest margin, expected credit losses, noninterest income, noninterest expense and required capital. Of these inputs, the projection of net interest margin is the most significant to the financial projections of the CB&W and C&CB reporting units. The long-term growth rate used in determining the terminal value of each reporting unit was 2.5% as of October 1, 2020, based on management's assessment of the minimum expected terminal growth rate of each reporting unit. Discount rates are estimated based on the Capital Asset Pricing Model, which considers the risk-free interest rate, market risk premium, beta, and unsystematic risk adjustments specific to a particular reporting unit. The discount rates are also calibrated based on risks related to the projected cash flows of each reporting unit. The discount rates utilized for the CB&W, C&CB and IH reporting units as of October 1, 2020 were 11%, 10%, and 9%, respectively.

Based on the Company's annual impairment analysis of goodwill as of October 1, it was determined for the CB&W, C&CB and IH reporting units that the respective reporting unit's fair value was in excess of its respective carrying value as of October 1, 2020; however, for the C&CB reporting unit the fair value of the reporting unit exceeded its carrying value by less than 10%, indicating that the goodwill of this reporting unit may be at risk of impairment. Circumstances that could negatively impact the fair value for the C&CB reporting unit in the future include an increase in the applicable discount rate, an increase in required capital, or deterioration in the C&CB reporting unit's forecasts.

The estimated fair value of the reporting unit is highly sensitive to changes in these estimates and assumptions; therefore, in some instances, changes in these assumptions could impact whether the fair value of a reporting unit is greater than its carrying value. The Company performs sensitivity analyses around these assumptions in order to assess the reasonableness of the assumptions, and the resulting estimated fair values. The analysis of the C&CB reporting unit at October 1, 2020, indicated that if the discount rate was increased 100 basis points, the reporting unit's fair value would be less than its carrying value, resulting in goodwill impairment. Ultimately, future potential changes in these assumptions may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Additionally, a reporting unit's carrying value could change based on market conditions, asset growth, or the risk profile of those reporting units, which could impact whether the fair value of a reporting unit is less than carrying value.

The Company monitored events and circumstances during the fourth quarter of 2020, including the continuing effects of the COVID-19 pandemic, concluding 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 December 31, 2020.

Income Taxes

Truist is subject to income tax laws of the U.S., its states, and the municipalities in which the Company conducts business. In estimating the net amount due to or to be received from tax jurisdictions either currently or in the future, the Company assesses the appropriate tax treatment of transactions and filing positions after considering statutes, regulations, judicial precedent, and other pertinent information. The income tax laws are complex and subject to different interpretations by the taxpayer and the relevant government taxing authorities. Significant judgment is required in determining the tax accruals and in evaluating the Company's tax positions, including evaluating uncertain tax positions. Changes in the estimate of accrued taxes occur periodically due to changes in tax rates, interpretations of tax laws and new judicial guidance, the status of examinations by the tax authorities, and newly enacted statutory and regulatory guidance that could impact the relative merits and risks of tax positions. These changes, when they occur, impact tax expense and can materially affect operating results. Truist reviews tax positions quarterly and adjusts accrued taxes as new information becomes available.

Deferred income tax assets represent amounts available to reduce income taxes payable in future years. Such assets arise due to temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from NOL and tax credit carryforwards. The Company regularly evaluates the realizability of DTAs, recognizing a valuation allowance if, based on the weight of available evidence, it is more-likely-than-not that some portion or all of the DTA will not be realized. In determining whether a valuation allowance is necessary, the Company considers the level of taxable income in prior years to the extent that carrybacks are permitted under current tax laws, as well as estimates of future pre-tax and taxable income and tax planning strategies that would, if necessary, be implemented. Truist currently maintains a valuation allowance for certain state carryforwards and certain other state DTAs. For additional income tax information, refer to "Note 1. Basis of Presentation" and "Note 14. Income Taxes."

Pension and Postretirement Benefit Obligations

Truist offers various pension plans and postretirement benefit plans to teammates. Calculation of the obligations and related expenses under these plans requires the use of actuarial valuation methods and assumptions, which are subject to management judgment and may differ significantly if different assumptions are used. The discount rate assumption used to measure the postretirement benefit obligations is set by reference to a high-quality corporate bond yield curve and the individual characteristics of the plans such as projected cash flow patterns and payment durations. In 2020, in connection with the merger of the BB&T and SunTrust pension plans Truist refined the corporate bond yield curve used in determining the discount rate and moved to a AA Above Median yield curve from the previously used AA rated bond yield curve. The impact of this change was an increase of approximately 11 basis points in the discount rate as of December 31, 2020.

Management also considered the sensitivity that changes in the expected return on plan assets and the discount rate would have on pension expense. For the Company’s qualified plans, a decrease of 25 basis points in the discount rate would result in additional pension expense of approximately $27 million for 2021, while a decrease of 100 basis points in the expected return on plan assets would result in an increase of approximately $149 million in pension expense for 2021. Refer to "Note 15. Benefit Plans" for disclosures related to the benefit plans.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Truist Financial Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Truist Financial Corporation and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020 based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by COSO.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for the allowance for credit losses in 2020.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A 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 generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Allowance for Credit Losses for Certain Commercial and Consumer Portfolios

As described in Notes 1 and 5 to the consolidated financial statements, the Company's allowance for credit losses (ACL) represents management's best estimate of expected future credit losses related to loan and lease portfolios and off-balance sheet lending commitments at the balance sheet date. The consolidated ACL balance was $6.2 billion as of December 31, 2020, including $2.9 billion for commercial portfolios and $2.6 billion for consumer portfolios. Estimates of expected future credit losses are determined by management using quantitative models and by applying qualitative adjustments to the modeled results. The models are designed to forecast probability of default, exposure at default, and loss given default by correlating certain macroeconomic forecast data to historical experience. The models are applied to pools of loans with similar risk characteristics. The macroeconomic forecast data used in the quantitative models is based on forecasted variables for a reasonable and supportable period. The qualitative adjustments incorporate management judgment and are used to account for limitations in modeled results related to current economic conditions and other risks in the portfolios.

The principal considerations for our determination that performing procedures relating to the ACL for certain commercial and consumer portfolios is a critical audit matter are (i) the significant judgment by management in determining the ACL quantitative model results and certain qualitative adjustments, (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the audit evidence related to the quantitative model results and certain qualitative adjustments, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the ACL estimation process for certain commercial and consumer portfolios, which included controls related to the quantitative model results and certain qualitative adjustments. These procedures also included, among others, testing management's process for determining the ACL for certain commercial and consumer portfolios quantitative model results and certain qualitative adjustments, including evaluating the appropriateness of the quantitative models and management's methodology, testing the data used in the estimate, and evaluating the reasonableness of judgments used by management in estimating certain qualitative adjustments. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of these quantitative models and the reasonableness of judgments used by management relating to certain qualitative adjustments.

Annual Goodwill Impairment Assessment - CB&W and C&CB Reporting Units

As described in Notes 1 and 7 to the consolidated financial statements, the Company's consolidated goodwill balance was $24.4 billion as of December 31, 2020. The goodwill associated with the CB&W and C&CB reporting units was $15.8 billion and $6.2 billion as of December 31, 2020, respectively. Management reviews the goodwill of each reporting unit for impairment on an annual basis as of October 1, or more often, if events or circumstances indicate that it is more-likely-than-not that the fair value of a reporting unit is below its carrying value. Management determines the fair value of reporting units using the income approach and the market approach. For the income approach, management determines the fair value of the reporting units using a discounted cash flow analysis by utilizing a multi-year financial forecast for each reporting unit by considering several inputs and assumptions including net interest margin, expected credit losses, noninterest income, noninterest expense and required capital.

The principal considerations for our determination that performing procedures relating to the annual goodwill impairment assessment for the CB&W and C&CB reporting units is a critical audit matter are (i) the significant judgment by management when determining the fair value of these reporting units using the income approach, (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the audit evidence related to management's discount rates and net interest margin assumptions used in the income approach, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's annual goodwill impairment assessment, including controls over the valuation of the CB&W and C&CB reporting units. These procedures also included, among others, testing management's process for determining the fair value of the CB&W and C&CB reporting units, evaluating the appropriateness of management's income approach, testing the data used in the income approach, and evaluating the discount rates and net interest margin assumptions used by management in the income approach. Evaluating management's assumptions related to the discount rates and net interest margin involved evaluating whether the assumptions were reasonable considering the current and past performance of the reporting units and consistency with external market and industry data. Professionals with specialized skill and knowledge were used to assist in the evaluation of the appropriateness of the income approach and the discount rate assumption.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
February 24, 2021

We have served as the Company's auditor since 2002.

CONSOLIDATED BALANCE SHEETS
TRUIST FINANCIAL CORPORATION AND SUBSIDIARIES

December 31, (Dollars in millions, except per share data, shares in thousands)	2020	2019
Assets		
Cash and due from banks	$ 5,029	$ 4,084
Interest-bearing deposits with banks	13,839	14,981
Securities borrowed or purchased under resale agreements	1,745	1,417
Trading assets at fair value	3,872	5,733
AFS securities at fair value	120,788	74,727
LHFS (including $4,955 and $5,673 at fair value, respectively)	6,059	8,373
Loans and leases	299,734	299,842
ALLL	(5,835)	(1,549)
Loans and leases, net of ALLL	293,899	298,293
Premises and equipment	3,870	3,712
Goodwill	24,447	24,154
CDI and other intangible assets	2,984	3,142
MSRs (including $2,023 and $2,618 at fair value, respectively)	2,023	2,630
Other assets (including $4,891 and $3,310 at fair value, respectively)	30,673	31,832
Total assets	$ 509,228	$ 473,078
Liabilities		
Noninterest-bearing deposits	$ 127,629	$ 92,405
Interest-bearing deposits	253,448	242,322
Short-term borrowings (including $1,115 and $1,074 at fair value, respectively)	6,092	18,218
Long-term debt	39,597	41,339
Other liabilities (including $555 and $366 at fair value, respectively)	11,550	12,236
Total liabilities	438,316	406,520
Shareholders' Equity		
Preferred stock, $5 par value, liquidation preference of $25,000 per share	8,048	5,102
Common stock, $5 par value	6,745	6,711
Additional paid-in capital	35,843	35,609
Retained earnings	19,455	19,806
AOCI, net of deferred income taxes	716	(844)
Noncontrolling interests	105	174
Total shareholders' equity	70,912	66,558
Total liabilities and shareholders' equity	$ 509,228	$ 473,078
Common shares outstanding	1,348,961	1,342,166
Common shares authorized	2,000,000	2,000,000
Preferred shares outstanding	280	145
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

Year Ended December 31, (Dollars in millions, except per share data; shares in thousands)	2020	2019	2018
Interest Income			
Interest and fees on loans and leases	$ 13,485	$ 7,982	$ 6,894
Interest on securities	1,739	1,319	1,160
Interest on other earning assets	324	108	66
Total interest income	15,548	9,409	8,120
Interest Expense			
Interest on deposits	785	1,101	644
Interest on long-term debt	800	797	683
Interest on other borrowings	137	198	111
Total interest expense	1,722	2,096	1,438
Net Interest Income	13,826	7,313	6,682
Provision for credit losses	2,335	615	566
Net Interest Income After Provision for Credit Losses	11,491	6,698	6,116
Noninterest Income			
Insurance income	2,193	2,072	1,852
Wealth management income	1,277	715	660
Service charges on deposits	1,020	762	712
Residential mortgage income	1,000	285	258
Investment banking and trading income	944	244	154
Card and payment related fees	761	555	522
Lending related fees	315	124	99
Operating lease income	309	153	145
Commercial real estate related income	271	116	100
Income from bank-owned life insurance	179	129	116
Securities gains (losses)	402	(116)	3
Other income (loss)	208	216	255
Total noninterest income	8,879	5,255	4,876
Noninterest Expense			
Personnel expense	8,146	4,833	4,313
Professional fees and outside processing	1,252	433	365
Net occupancy expense	904	507	491
Software expense	862	338	272
Amortization of intangibles	685	164	131
Equipment expense	484	280	267
Marketing and customer development	273	137	102
Operating lease depreciation	258	136	120
Loan-related expense	242	123	108
Regulatory costs	125	81	134
Merger-related and restructuring charges	860	360	146
Loss (gain) on early extinguishment of debt	235	—	—
Other expense	571	542	483
Total noninterest expense	14,897	7,934	6,932
Earnings			
Income before income taxes	5,473	4,019	4,060
Provision for income taxes	981	782	803
Net income	4,492	3,237	3,257
Noncontrolling interests	10	13	20
Net income available to the bank holding company	4,482	3,224	3,237
Dividends on preferred stock	298	196	174
Net income available to common shareholders	$ 4,184	$ 3,028	$ 3,063
Basic EPS	$ 3.11	$ 3.76	$ 3.96
Diluted EPS	3.08	3.71	$ 3.91
Basic weighted average shares outstanding	1,347,080	805,104	772,963
Diluted weighted average shares outstanding	1,358,289	815,204	783,484

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
TRUIST FINANCIAL CORPORATION AND SUBSIDIARIES

Year Ended December 31, (Dollars in millions)	2020	2019	2018
Net income	$ 4,492	$ 3,237	$ 3,257
OCI, net of tax:			
Change in unrecognized net pension and postretirement costs	247	42	(160)
Change in unrealized net gains (losses) on cash flow hedges	37	(70)	61
Change in unrealized net gains (losses) on AFS securities	1,274	880	(144)
Other, net	2	19	(5)
Total OCI, net of tax	1,560	871	(248)
Total comprehensive income	$ 6,052	$ 4,108	$ 3,009
Income Tax Effect of Items Included in OCI:			
Change in unrecognized net pension and postretirement costs	$ 79	$ 11	$ (50)
Change in unrealized net gains (losses) on cash flow hedges	11	(21)	20
Change in unrealized net gains (losses) on AFS securities	396	271	(45)
Other, net	—	5	1
Total income taxes related to OCI	$ 486	$ 266	$ (74)

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

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

(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, 2018	782,006	$ 3,053	$ 3,910	$ 7,893	$ 16,259	$ (1,467)	$ 47	$ 29,695
Net income	—	—	—	—	3,237	—	20	3,257
OCI	—	—	—	—	—	(248)	—	(248)
Issued in connection with equity awards, net	4,554	—	23	(29)	—	—	—	(6)
Repurchase of common stock	(23,234)	—	(116)	(1,089)	—	—	—	(1,205)
Cash dividends declared on common stock	—	—	—	—	(1,204)	—	—	(1,204)
Cash dividends declared on preferred stock	—	—	—	—	(174)	—	—	(174)
Equity-based compensation expense	—	—	—	141	—	—	—	141
Other, net	—	—	—	(67)	—	—	(11)	(78)
Balance, December 31, 2018	763,326	$ 3,053	$ 3,817	$ 6,849	$ 18,118	$ (1,715)	$ 56	$ 30,178
Net income	—	—	—	—	3,224	—	13	3,237
OCI	—	—	—	—	—	871	—	871
Issued in business combinations	575,067	2,045	2,875	28,626	—	—	—	33,546
Issued in connection with equity awards, net	3,773	—	19	(34)	—	—	—	(15)
Issued in connection with preferred stock offerings	—	1,683	—	—	—	—	—	1,683
Redemption of preferred stock	—	(1,679)	—	—	(46)	—	—	(1,725)
Cash dividends declared on common stock	—	—	—	—	(1,309)	—	—	(1,309)
Cash dividends declared on preferred stock	—	—	—	—	(150)	—	—	(150)
Equity-based compensation expense	—	—	—	165	—	—	—	165
Other, net	—	—	—	3	(31)	—	105	77
Balance, December 31, 2019	1,342,166	$ 5,102	$ 6,711	$ 35,609	$ 19,806	$ (844)	$ 174	$ 66,558
Net income	—	—	—	—	4,482	—	10	4,492
OCI	—	—	—	—	—	1,560	—	1,560
Issued in connection with equity awards, net	6,795	—	34	(119)	(2)	—	—	(87)
Issued in connection with preferred stock offerings	—	3,449	—	—	—	—	—	3,449
Redemption of preferred stock	—	(503)	—	—	3	—	—	(500)
Cash dividends declared on common stock	—	—	—	—	(2,424)	—	—	(2,424)
Cash dividends declared on preferred stock	—	—	—	—	(301)	—	—	(301)
Equity-based compensation expense	—	—	—	353	—	—	—	353
Cumulative effect adjustment for new accounting standards	—	—	—	—	(2,109)	—	—	(2,109)
Other, net	—	—	—	—	—	—	(79)	(79)
Balance, December 31, 2020	1,348,961	$ 8,048	$ 6,745	$ 35,843	$ 19,455	$ 716	$ 105	$ 70,912

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
TRUIST FINANCIAL CORPORATION AND SUBSIDIARIES

Year Ended December 31, (Dollars in millions)	2020	2019	2018
Cash Flows From Operating Activities:			
Net income	$ 4,492	$ 3,237	$ 3,257
Adjustments to reconcile net income to net cash from operating activities:			
Provision for credit losses	2,335	615	566
Depreciation	923	466	424
Amortization of intangibles	685	164	131
Equity-based compensation expense	353	165	141
Securities (gains) losses	(402)	116	(3)
Net change in operating assets and liabilities:			
LHFS	718	(1,895)	188
MSRs	607	97	(52)
Pension asset	(779)	(1,815)	99
Derivative assets and liabilities	(2,690)	(312)	(85)
Trading assets	1,861	368	242
Other assets and other liabilities	186	379	(33)
Other, net	(852)	(65)	(526)
Net cash from operating activities	7,437	1,520	4,349
Cash Flows From Investing Activities:			
Proceeds from sales of AFS securities	5,276	36,780	383
Proceeds from maturities, calls and paydowns of AFS securities	24,627	4,797	3,674
Purchases of AFS securities	(72,808)	(42,646)	(4,722)
Proceeds from maturities, calls and paydowns of HTM securities	—	2,499	2,442
Originations and purchases of loans and leases, net of sales and principal collected	2,613	656	(6,266)
Net cash received (paid) for FHLB stock	600	147	(47)
Net cash paid for premises and equipment	(815)	(224)	(363)
Net cash received (paid) for mergers, acquisitions and divestitures	(2,439)	6,256	(296)
Other, net	(706)	83	232
Net cash from investing activities	(43,652)	8,348	(4,963)
Cash Flows From Financing Activities:			
Net change in deposits	48,599	2,917	3,838
Net change in short-term borrowings	(12,124)	6,293	240
Proceeds from issuance of long-term debt	26,644	7,084	2,769
Repayment of long-term debt	(28,278)	(9,265)	(2,533)
Repurchase of common stock	—	—	(1,205)
Net proceeds from preferred stock issued	3,449	1,683	—
Redemption of preferred stock	(500)	(1,725)	—
Cash dividends paid on common stock	(2,424)	(1,309)	(1,204)
Cash dividends paid on preferred stock	(301)	(150)	(174)
Net cash received (paid) for hedge unwinds	1,101	(130)	(126)
Other, net	(148)	(45)	(103)
Net cash from financing activities	36,018	5,353	1,502
Net Change in Cash and Cash Equivalents	(197)	15,221	888
Cash and Cash Equivalents, January 1	19,065	3,844	2,956
Cash and Cash Equivalents, December 31	$ 18,868	$ 19,065	$ 3,844
Supplemental Disclosure of Cash Flow Information:			
Net cash paid (received) during the period for:			
Interest expense	$ 1,834	$ 1,921	$ 1,408
Income taxes	126	443	99
Noncash investing activities:			
Transfer of loans HFI to LHFS	2,562	7,434	77
Stock issued in business combinations	—	33,546	—
Transfer of HTM securities to AFS	—	18,022	—

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

NOTE 1. Basis of Presentation

Truist Financial Corporation is a purpose-driven financial services company committed to inspire and build better lives and communities. With the combined history of BB&T and SunTrust, Truist has leading market share in many high-growth markets in the country. The Company offers a wide range of services including retail, small business and commercial banking; asset management; capital markets; commercial real estate; corporate and institutional banking; insurance; mortgage; payments; specialized lending; and wealth management. Headquartered in Charlotte, North Carolina, Truist is the sixth-largest commercial bank in the U.S. The Company operates and measures business activity across three business segments: Consumer Banking and Wealth, Corporate and Commercial Banking, and Insurance Holdings. For additional information on the Company's business segments, see "Note 21. Operating Segments."

General

See the Glossary of Defined Terms at the beginning of this Report for terms used herein. The accounting and reporting policies are in accordance with GAAP. Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by regulatory authorities. The following is a summary of significant accounting policies.

Principles of Consolidation

The consolidated financial statements include the accounts of Truist Financial Corporation and those subsidiaries that are wholly or majority owned by Truist or over which Truist exercises control. Intercompany accounts and transactions are eliminated in consolidation. The results of operations of companies or assets acquired are included from the date of acquisition. Results of operations associated with entities or net assets sold are included through the date of disposition.

Truist holds investments in certain legal entities that are considered VIEs. VIEs are legal entities in which equity investors do not have sufficient equity at risk for the entity to independently finance its activities, or as a group, the holders of the equity investment at risk lack the power through voting or similar rights to direct the activities of the entity that most significantly impact its economic performance, or do not have the obligation to absorb the expected losses of the entity or the right to receive expected residual returns of the entity. Consolidation of a VIE is required if a reporting entity is the primary beneficiary of the VIE.

Investments in VIEs are evaluated to determine if Truist is the primary beneficiary. This evaluation gives appropriate consideration to the design of the entity and the variability that the entity was designed to create and pass along, the relative power of each party, and to Truist's obligation to absorb losses or receive residual returns of the entity. Truist has variable interests in certain entities that are not required to be consolidated, including affordable housing and other partnership interests. Refer to "Note 16. Commitments and Contingencies" for additional disclosures regarding Truist's VIEs.

Investments in entities for which the Company has the ability to exercise significant influence, but not control, over operating and financing decisions are accounted for using the equity method of accounting. These investments are included in Other assets in the Consolidated Balance Sheets at cost, adjusted to reflect the Company's portion of income, loss, or dividends of the investee. Truist records its portion of income or loss in Other noninterest income in the Consolidated Statements of Income. These investments are periodically evaluated for impairment.

The Company reports any noncontrolling interests in its subsidiaries in the equity section of the Consolidated Balance Sheets and separately presents the income or loss attributable to the noncontrolling interest of a consolidated subsidiary in its Consolidated Statements of Income.

Reclassifications

Certain 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.

Business Combinations

Truist accounts for business combinations using the acquisition method. The accounts of an acquired entity are included as of the date of acquisition, and any excess of purchase price over the fair value of the net assets acquired is capitalized as goodwill. See "Note 2. Business Combinations" for further discussion of the Merger and its impact on the Company’s consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents includes cash and due from banks and interest-bearing deposits with banks that have original maturities of three months or less. Accordingly, the carrying amount of such instruments is considered a reasonable estimate of fair value. Restricted cash was immaterial at December 31, 2020 and 2019.

Securities Financing Activities

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 related counterparty agree on the amount of collateral required to secure the principal amount loaned under these agreements. The Company monitors collateral values daily and calls for additional collateral to be provided as warranted under the respective agreements.

Short-term borrowings include securities sold under agreements to repurchase, which are accounted for as collateralized financing transactions and are recorded at the amounts at which the securities were sold, plus accrued interest within Short-term borrowings.

Trading Activities

Various trading assets and liabilities are used to accommodate the investment and risk management activities of the Company's clients. Product offerings to clients include debt securities, loans traded in the secondary market, equity securities, derivative contracts, and other similar financial instruments. The Company elects to apply fair value accounting to trading loans. Trading loans include: (i) loans held in connection with the Company's trading business primarily consisting of commercial and corporate leveraged loans; (ii) certain SBA loans guaranteed by the U.S. government; and (iii) loans made or acquired in connection with the Company’s TRS business. Other trading-related activities include acting as a market maker for certain debt and equity security transactions, derivative instrument transactions, and foreign exchange transactions. Trading assets and liabilities are measured at fair value with changes in fair value recognized within Noninterest income in the Company’s Consolidated Statements of Income. Interest income on trading account securities is included in Interest on other earning assets. For additional information on the Company’s trading activities, see "Note 16. Commitments and Contingencies" and "Note 18. Fair Value Disclosures."

Investment Securities

The Company invests in various debt securities primarily for liquidity management purposes and as part of the overall ALM process to optimize income and market performance. Investments in debt securities that are not held for trading purposes are classified as AFS.

Interest income on securities is recognized in income on an accrual basis. Premiums and discounts are amortized into interest income using the effective interest method over the contractual life of the security. As prepayments are received, a proportionate amount of the related premium or discount is recognized in income so that the effective interest rate on the remaining portion of the security continues unchanged.

AFS securities are reported at estimated fair value, with unrealized gains and losses reported in AOCI, net of deferred income taxes, in the Shareholders' equity section of the Consolidated Balance Sheets. Gains or losses realized from the sale of AFS securities are determined by specific identification and are included in noninterest income.

An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis. AFS debt securities in an unrealized loss position are evaluated at the balance sheet date to determine whether such losses are credit-related. Credit losses are measured on an individual basis and recognized in an ACL. Changes in expected credit losses are recognized in the Provision for credit losses in the Consolidated Statements of Income. Municipal securities are evaluated for impairment using a municipal bond credit scoring tool that leverages historical municipal market data to estimate probability of default and loss given default at the issuer level. U.S. Treasury securities, government guaranteed securities, and other securities issued by GSEs are either explicitly or implicitly guaranteed by the US government, are highly rated by rating agencies and have a long history of no credit losses. There was no ACL on the Company’s AFS debt securities at December 31, 2020.

Prior to the adoption of CECL on January 1, 2020, investment securities in an unrealized loss position were evaluated quarterly for OTTI. Truist considered such factors as the length of time and the extent to which the fair value was below amortized cost, long term expectations and recent experience regarding principal and interest payments, Truist's intent to sell and whether it was more-likely-than-not that the Company would be required to sell those securities before the anticipated recovery of the amortized cost basis.

The credit component of an OTTI loss was recognized in earnings and the non-credit component was recognized in AOCI, net of tax, in situations where Truist did not intend to sell the security and it was more-likely-than-not that Truist would have been required to sell the security prior to recovery. Subsequent to recognition of OTTI, an increase in expected cash flows was recognized as a yield adjustment over the remaining expected life of the security based on an evaluation of the nature of the increase.

Equity Securities

Equity securities that are not classified as trading assets or liabilities are recorded in Other assets on the Company’s Consolidated Balance Sheets. Equity securities with readily determinable fair values are considered marketable and measured at fair value, with changes in the fair value recognized as a component of Noninterest income in the Company’s Consolidated Statements of Income. Marketable equity securities include mutual fund investments and other publicly traded equity securities. Dividends received from marketable equity securities and FHLB stock are recognized within Interest income in the Consolidated Statements of Income. Equity securities that are not accounted for under the equity method and that do not have readily determinable fair values are considered non-marketable and are accounted for at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. Any adjustments to the carrying value of these non-marketable equity securities are recognized in Other noninterest income in the Company’s Consolidated Statements of Income. Non-marketable equity securities include FHLB stock and other equity investments. For additional information on the Company’s equity securities, see "Note 18. Fair Value Disclosures."

LHFS

LHFS includes residential and commercial mortgage loans that management intends to sell in the secondary market and other loans that management has an active plan to sell.

The Company elects to apply fair value accounting to substantially all residential and commercial mortgage loans that are originated with the intent to be sold in the secondary market. Direct loan origination fees associated with these loans are recorded as Residential mortgage and Commercial real estate related income. The majority of direct origination costs are recorded in Personnel expense. The fair value of these loans is derived from observable current market prices when available and includes loan servicing value. When observable market prices are not available, the Company uses judgment and estimates fair value using internal models that reflect assumptions consistent with those that would be used by a market participant in estimating fair value.

First lien residential mortgage LHFS are transferred in conjunction with GNMA and GSE securitization transactions, whereby the loans are exchanged for cash or securities that are readily redeemable for cash with servicing rights retained. Net gains/losses on the sale of residential mortgage LHFS are recorded at inception of the associated interest rate lock commitments and reflect the change in value of the loans resulting from changes in interest rates from the time the Company enters into interest rate lock commitments with borrowers until the loans are sold, adjusted for pull through rates and excluding hedge transactions initiated to mitigate this market risk. Commercial mortgage LHFS are sold to FNMA and FHLMC and the Company also issues and sells GNMA commercial MBS backed by FHA insured loans. The loans and securities are exchanged for cash with servicing rights retained. Gains and losses on sales of residential and commercial mortgage loans are included in Residential mortgage and Commercial real estate income, respectively.

LHFS also includes specifically identified loans where management has committed to a formal plan of sale and the loans are available for immediate sale. These loans are generally recorded at LOCOM. Origination fees and costs for such loans are capitalized in the basis of the loan and are included in the calculation of realized gains and losses upon sale. Adjustments to reflect unrealized losses resulting from changes in fair value and realized gains and losses upon ultimate sale of the loans are classified as Noninterest income in the Consolidated Statements of Income. The fair value of these loans is estimated using observable market prices when available, but may also incorporate consideration of other unobservable inputs such as indicative bids, broker price opinions or other information derived from internal or external data sources.

In certain circumstances, the Company may transfer certain loans from HFI to LHFS. At the time of transfer, any credit losses are subject to charge-off in accordance with the Company’s policy and are recorded as a reduction in the ALLL. Any subsequent losses, including those related to interest rate or liquidity-related valuation adjustments are recorded as a component of Noninterest income in the Consolidated Statements of Income. For additional information on the Company’s LHFS, see "Note 18. Fair Value Disclosures."

Loans and Leases

The Company's accounting methods for loans differ depending on whether the loans are originated or purchased, and if purchased, whether or not the loans reflect credit deterioration since the date of origination such that at the date of acquisition there is more than an insignificant deterioration in credit.

Originated Loans and Leases

Loans and leases that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balances net of any unearned income, charge-offs, and unamortized fees and costs. Interest and fees on loans and leases includes certain loan fees and deferred direct costs associated with the lending process recognized over the contractual lives of the loans using the effective interest method.

Purchased Loans

Purchased loans are recorded at their fair value at the acquisition date.

Fair values for purchased loans are based on a discounted cash flow methodology that considers credit loss expectations, market interest rates and other market factors such as liquidity from the perspective of a market participant. Loans are grouped together according to similar characteristics and treated in the aggregate when applying various valuation techniques. The probability of default, loss given default and prepayment assumptions are the key factors driving credit losses which are embedded into the estimated cash flows. These assumptions are informed by internal data on loan characteristics, historical loss experience, and current and forecasted economic conditions. The interest and liquidity component of the estimate are determined by discounting interest and principal cash flows through the expected life of the underlying loans. The discount rates used for loans are based on current market rates for new originations of comparable loans and include adjustments for liquidity. The discount rates do not include a factor for credit losses as that has been included as a reduction to the estimated cash flows.

Beginning January 1, 2020, purchased loans are evaluated upon acquisition and classified as either PCD, which indicates that the loan reflects more-than-insignificant deterioration in credit quality since origination, or non-PCD. Truist considers a variety of factors in connection with the identification of more-than-insignificant deterioration in credit quality, including but not limited to risk grades, delinquency, nonperforming status, previous troubled debt restructurings or bankruptcies and other qualitative factors that indicate deterioration in credit quality since origination.

For PCD loans, the initial estimate of expected credit losses is determined using the same methodology as other loans held for investment and recognized as an adjustment to the acquisition price of the asset; thus, the sum of the loans' purchase price and initial ALLL estimate represents the initial amortized cost basis. The difference between the initial amortized cost basis and the par value is the non-credit discount or premium. For non-PCD loans, the difference between the fair value and the par value is considered the fair value mark. The initial ALLL for non-PCD loans is recorded with a corresponding charge to the Provision for credit losses in the Consolidated Statements of Income. Subsequent changes in the ALLL related to PCD and non-PCD loans are recognized in the Provision for credit losses.

The non-credit discount or premium related to PCD loans and the fair value mark on non-PCD loans are amortized or accreted to Interest and fees on loans and leases over the contractual life of the loans using the effective interest method for amortizing loans, and using a straight-line approach for interest-only loans and loans associated with a revolving commitment. In the event of prepayment, unamortized discounts or premiums are recognized in Interest and fees on loans and leases.

TDRs

Modifications to a borrower's debt agreement are considered TDRs if a concession is granted for economic or legal reasons related to a borrower's financial difficulties that otherwise would not be considered. TDRs are undertaken to improve the likelihood of recovery on the loan and may take the form of modifications that result in the stated interest rate of the loan being lower than the current market rate for new debt with similar risk, other modifications to the structure of the loan that fall outside of normal underwriting policies and procedures, or in certain limited circumstances, forgiveness of principal or interest. A restructuring that results in only a delay in payments that is insignificant is not considered an economic concession. In accordance with the CARES Act, Truist implemented loan modification programs in response to the COVID-19 pandemic in order to provide borrowers with flexibility with respect to repayment terms. Payment relief assistance provided by Truist includes forbearance, deferrals, extension and re-aging programs, along with certain other modification strategies. The Company adopted certain provisions of the CARES Act and other regulatory guidance that provide relief from the requirement to apply TDR accounting to (1) certain modifications of federally backed mortgages upon request from the borrower, and (2) certain modifications of other non-federally backed mortgages for borrowers impacted by the COVID-19 pandemic that were less than 30 days past due at December 31, 2019. In other circumstances the Company applied TDR relief provided by the regulatory agencies for borrowers who received short-term modifications as a result of COVID-19 and were less than 30 days past due at the time that the Company's COVID-19 loan modification program was implemented, or for federally backed loans, the modification was mandated by the government in response to COVID-19.

TDRs can be classified as performing or nonperforming, depending on the individual facts and circumstances of the borrower and an evaluation as to whether the borrower will be able to repay the loan based on the modified terms. In circumstances where the TDR involves charging off a portion of the loan balance, Truist classifies these TDRs as nonperforming.

The decision to maintain a commercial TDR on performing status is based on a current, well documented credit evaluation of the borrower's financial condition and prospects for repayment under the modified terms. This evaluation includes consideration of the borrower's current capacity to pay, which among other things may include a review of the borrower's current financial statements, an analysis of cash flow available to pay debt obligations, and an evaluation of secondary sources of payment from the borrower and any guarantors. This evaluation also includes an evaluation of the borrower's current willingness to pay, which may include a review of past payment history, an evaluation of the borrower's willingness to provide information on a timely basis, and consideration of offers from the borrower to provide additional collateral or guarantor support. The credit evaluation may also include review of cash flow projections, consideration of the adequacy of collateral to cover all principal and interest and trends indicating improving profitability and collectability of receivables.

The evaluation of mortgage and other consumer loans includes an evaluation of the client's debt-to-income ratio, credit report, property value and certain other client-specific factors that impact the clients’ ability to make timely principal and interest payments on the loan.

TDR classification may be removed due to the passage of time if the loan: (i) did not include a forgiveness of principal or interest, (ii) has performed in accordance with the modified terms (generally a minimum of six months), (iii) was reported as a TDR over a year-end reporting period, and (iv) reflected an interest rate on the modified loan that was no less than a market rate at the date of modification. TDR classification may also be removed for an accruing loan upon the occurrence of a subsequent non-concessionary modification granted at market terms and within current underwriting guidelines. In connection with consumer TDRs, a NPL will be returned to accruing status when (i) the borrower has resumed paying the full amount of the scheduled contractual interest and principal payments, (ii) management concludes that all principal and interest amounts contractually due (including arrearages) are reasonably assured of repayment, and (iii) there is a sustained period of repayment performance, generally a minimum of six months.

NPAs

NPAs include NPLs and foreclosed property. Foreclosed property consists of real estate and other assets acquired as a result of clients' loan defaults.

Truist's policies for placing loans on nonperforming status conform to guidelines prescribed by bank regulatory authorities. Truist classifies loans and leases as past due when the payment of principal and interest based upon contractual terms is greater than 30 days delinquent or if one payment is past due. Payment deferrals granted as a result of the COVID-19 pandemic do not result in a loan becoming past due. The following table summarizes the delinquency thresholds that are a factor used in evaluating nonperforming classification and the timing of charge-off evaluations:

(number of days)	Placed on Nonperforming (1)	Evaluated for Charge-off
Commercial:		
Commercial and industrial	90 (2)	90 (2)
CRE	90 (2)	90 (2)
Commercial construction	90 (2)	90 (2)
Lease financing	90 (2)	90 (2)
Consumer:		
Residential mortgage (3)	90 to 180	90 to 210
Residential home equity and direct (3)	90 to 120	90 to 180
Indirect auto (3)	90	120
Indirect other (3)	90 to 120	120 to 180
Student (4) (5)	NA	120 to 180
Credit card (6)	NA	90 to 180

(1) Loans may be returned to performing status when (i) the borrower has resumed paying the full amount of the scheduled contractual interest and principal payments, (ii) management concludes that all principal and interest amounts contractually due (including arrearages) are reasonably assured of repayment, and (iii) there is a sustained period of repayment performance, generally a minimum of six months.
(2) Or when it is probable that principal or interest is not fully collectible, whichever occurs first.
(3) Depends on product type, loss mitigation status, status of the government guaranty, if applicable, and certain other product-specific factors.
(4) Student loans are not placed in nonperforming status, which reflects consideration of governmental guarantees or accelerated charge-off policies related to certain non-guaranteed portfolios.
(5) Claims related to government guaranteed loans may be filed once the loans reach 270 days past due. The non-guaranteed balance, which ranges from 2-3%, is charged off once the claim proceeds related to the guaranteed portion have been received.
(6) Credit cards are generally not placed on nonperforming status, but are fully charged off at specified delinquency dates consistent with regulatory guidelines.

When commercial loans are placed on nonperforming status, a charge-off is recorded, as applicable, to decrease the carrying value of such loans to the estimated recoverable amount. Consumer and credit card loans are subject to charge-off at a specified delinquency date consistent with regulatory guidelines.

Certain past due loans may remain on performing status if management determines that it does not have concern over the collectability of principal and interest. Generally, when loans are placed on nonperforming status, accrued interest receivable is reversed against interest income in the current period and amortization of deferred loan fees and expenses for originated loans, and fair value marks for purchased loans, is suspended. For commercial loans and certain consumer loans, payments received for interest and lending fees thereafter are applied as a reduction to the remaining principal balance as long as concern exists as to the ultimate collection of the principal. Interest income on nonperforming loans is recognized after the principal has been reduced to zero. If and when borrowers demonstrate the ability to repay a loan classified as nonperforming in accordance with its contractual terms, the loan may be returned to performing status upon meeting all regulatory, accounting and internal policy requirements.

Accrued interest is included in Other assets in the Consolidated Balance Sheets. Accrued interest receivable balances are not considered in connection with the ACL estimation process, as such amounts are generally reversed against interest income when the loan is placed in nonperforming status. The Company has deferred interest income recognition on the estimated uncollectible portion of accrued interest on loans that were provided payment relief assistance in connection with the CARES Act.

Assets acquired as a result of foreclosure are initially recorded at fair value less estimated cost to sell and subsequently carried at the lower of cost or net realizable value. Net realizable value equals fair value less estimated selling costs. Any excess of cost over net realizable value at the time of foreclosure is charged to the ALLL. NPAs are subject to periodic revaluations of the collateral underlying impaired loans and foreclosed real estate. The periodic revaluations are generally based on the appraised value of the property and may include additional liquidity adjustments based upon the expected retention period. Truist's policies require that valuations be updated at least annually and that upon foreclosure, the valuation must not be more than six months old, otherwise an update is required. Any subsequent changes in value as well as gains or losses from the disposition of these assets are recognized in Other noninterest expense in the Consolidated Statements of Income. For additional information on the Company’s loan and lease activities, see "Note 5. Loans and ACL."

ACL

The ACL includes the ALLL and RUFC. The ACL represents management's best estimate of expected future credit losses related to loan and lease portfolios and off-balance sheet lending commitments at the balance sheet date. The ALLL is a valuation account that is deducted from or added to the loans' amortized cost basis to present the net amount expected to be collected on loans. The entire amount of the ACL is available to absorb losses on any loan category or lending-related commitment. Loan or lease balances deemed to be uncollectible are charged off against the ALLL. Expected recoveries of amounts previously charged off are incorporated into the ALLL estimate, with such amounts capped at the aggregate of amounts previously charged off. Changes to the ACL are made by charges to the Provision for credit losses, which is reflected in the Consolidated Statements of Income. The RUFC is recorded in Other liabilities on the Consolidated Balance Sheets.

Portfolio segments represent the level at which Truist develops and documents a systematic methodology to determine its ACL. Truist's loan and lease portfolio consists of three portfolio segments; commercial, consumer and credit card. The expected credit loss models are generally developed one level below the portfolio segment level. In certain instances, loans are further disaggregated by similar risk characteristics, such as business sector, client type, funding type, type of collateral, whether loan payments are interest-only and whether interest rates are fixed or variable. Larger loans and leases that do not share similar risk characteristics or that are considered collateral-dependent are individually evaluated. For these loans, the ALLL is determined through review of data specific to the borrower and related collateral, if any. Such estimates may be based on current loss forecasts, an evaluation of the fair value of the underlying collateral or in certain circumstances the present value of expected cash flows discounted at the loan's effective interest as described further below. The commercial portfolio segment models use a risk rating approach to estimate the ALLL. Truist may also consider specific environmental, social, and governance considerations in the risk rating methodology for commercial loans. The consumer and credit card models use a delinquency-based approach to estimate the ALLL. In addition to these quantitatively calculated components, the ALLL includes qualitatively calculated components.

Truist maintains a collectively calculated ALLL for loans with similar risk characteristics. The collectively calculated ALLL is estimated using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. Truist maintains quantitative models to forecast expected credit losses. The credit loss forecasting models use portfolio balances, macroeconomic forecast data, portfolio composition and loan attributes as the primary inputs. Loss estimates are informed by historical loss experience adjusted for macroeconomic forecast data and current and expected portfolio risk characteristics. Expected losses are estimated through contractual maturity unless the borrower has a right to renew that is not cancellable or it is reasonably expected that the loan will be modified as a TDR.

The Scenario Committee provides guidance, selection, and approval for enterprise-sanctioned macroeconomic forecast data, including the macroeconomic forecast data for use in the ACL process. Forecasted economic conditions are developed using third party macroeconomic forecast data across scenarios adjusted based on management's expectations over a reasonable and supportable forecast period of two years. Assumptions revert to long term historic averages gradually over a one year period. Macroeconomic forecast data used in estimating the expected losses vary by loan portfolio and include employment factors, estimated collateral values and market indicators as described by portfolio segment below. A qualitative allowance which incorporates management's judgement is also included in the estimation of expected future loan and lease losses, including qualitative adjustments in circumstances where the model output is inconsistent with management's expectations with respect to expected credit losses. This allowance is used to adjust for limitations in modeled results related to the current economic conditions, and capture risks in the portfolio such as considerations with respect to the impact of current economic events, the outcomes of which are uncertain. These events may include, but are not limited to, legislation that may directly or indirectly affect the banking industry and economic conditions affecting specific geographical areas and industries in which Truist conducts business.

The methodology for determining the RUFC is inherently similar to that used to determine the funded component of the ALLL and is measured over the period there is a contractual obligation to extend credit that is not unconditionally cancellable. The RUFC is adjusted for factors specific to binding commitments, including the probability of funding and exposure at default.

The ACL is monitored by the ACL Committee. The ACL Committee approves the ACL estimate and may recommend adjustments where necessary based on portfolio performance and other items that may impact credit risk.

Prior to the adoption of CECL on January 1, 2020, the ACL represented management's estimate of probable credit losses incurred in the loan and lease portfolios and off-balance sheet lending commitments at the balance sheet date. The estimation of the allowance for credit losses prior to 2020 did not consider reasonable and supportable forecasts that could have affected the collectability of the reported amounts.

The following provides a description of accounting policies, methodologies and credit quality indicators related to each of the portfolio segments:

Commercial

The majority of loans in the commercial lending portfolio are assigned risk ratings based on an assessment of conditions that affect the borrower's ability to meet contractual obligations under the loan agreement. This process includes reviewing borrowers' financial information, historical payment experience, credit documentation, public information, and other information specific to each borrower. Risk ratings are reviewed on an annual basis, or more frequently for many relationships based on the policy requirements regarding various risk characteristics. While this review is largely focused on the borrower's ability to repay the loan, Truist also considers the capacity and willingness of a loan's guarantors to support the loan as a secondary source of repayment. When a guarantor exhibits the documented capacity and willingness to support the loan, Truist may consider extending the loan maturity and/or temporarily deferring principal payments if the ultimate collection of both principal and interest is reasonably assured. In these cases, Truist may determine the loan is not impaired due to the documented capacity and willingness of the guarantor to repay the loan. Loans are considered impaired when the borrower (or guarantor in certain circumstances) does not have the cash flow capacity or willingness to service the debt according to contractual terms, or it does not appear reasonable to assume that the borrower will continue to pay according to the contractual agreement. The following table summarizes risk ratings that Truist uses to monitor credit quality in its commercial portfolio:

Risk Rating	Description
Pass	Loans not considered to be problem credits
Special Mention	Loans that have a potential weakness deserving management's close attention
Substandard	Loans for which a well-defined weakness has been identified that may put full collection of contractual cash flows at risk
Nonperforming	Loans for which full collection of principal and interest is not considered probable

Loans are generally pooled one level below the portfolio segment for the collectively calculated ALLL based on factors such as business sector, project and property type, line of business, collateral, loan type, obligor exposure, and risk grade or score. Commercial loss forecasting models are expected loss frameworks that use macroeconomic forecast data across scenarios and current portfolio attributes as inputs. The models forecast probability of default, exposure at default and loss given default by correlating certain macroeconomic forecast data to historical experience. The primary macroeconomic drivers for the commercial portfolios include unemployment trends, U.S. real GDP, corporate credit spreads, rental rates and property values.

Truist's policy is to review and individually evaluate the reserve for all nonperforming lending relationships and TDRs with an outstanding balance of $5 million or more, as such lending relationships do not typically share similar risk characteristics with others. Individually evaluated reserves are based on current forecasts, the present value of expected cash flows discounted at the loan's effective interest rate or the value of collateral, which is generally based on appraisals, recent sales of foreclosed properties and/or relevant property-specific market information. Truist has elected to measure expected credit losses on collateral-dependent loans based on the fair value of the collateral. Loans are considered collateral dependent when it is probable that Truist will be unable to collect principal and interest according to the contractual terms of the agreement and repayment is expected to be provided substantially by the sale or continued operation of the underlying collateral. Commercial loans are typically secured by real estate, business equipment, inventories and other types of collateral.

Consumer and Credit Card

The majority of the ALLL related to the consumer and credit card lending portfolios is calculated on a collective basis. Loans are pooled one level below the portfolio segment for the collectively calculated ALLL based on factors such as collateral, loan type, line of business and sales channel. Consumer portfolio models are expected loss frameworks that use macroeconomic forecast data across scenarios and current portfolio attributes as inputs. The models forecast probability of default, exposure at default and loss given default by correlating certain macroeconomic forecast data to historical experience. The primary macroeconomic drivers for the consumer portfolios include unemployment trends, the primary 30-year mortgage rate, home price indices and used car prices.

Residential mortgages and revolving home equity lines of credit are generally collateralized by one-to-four-family residential real estate, typically have loan-to-collateral value ratios of 80% or less at origination, and are made to borrowers in good credit standing. The indirect auto and indirect other portfolios include secured indirect installment loans to consumers for the purchase of new and used automobiles, boats and recreational vehicles. The student loan portfolio is composed of government guaranteed student loans and certain private student loans. The government guarantee mitigates substantially all of the risk related to principal and interest repayment for this component of the portfolio. Private student loans were originated with a credit enhancement from a third-party which partially mitigates the Company’s credit exposure. During 2020, the Company discontinued new origination of private student loans. The credit card portfolio and other arrangements within the indirect other and residential home equity and direct portfolios are generally unsecured and are actively managed.

Truist uses performing status to monitor credit quality in its consumer and credit card portfolios. Delinquency status is the primary factor considered in determining whether a loan should be classified as nonperforming.

The ALLL for loans classified as a TDR is based on analyses capturing the expected credit losses and the impact of the concession over the remaining life of the asset.

Expected recoveries for consumer and credit card loans are included in the estimation of the ALLL based on historical experience.

Premises and Equipment

Premises, equipment, finance leases and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed primarily using the straight-line method over the estimated useful lives of the related assets and is recorded within the corresponding Noninterest expense categories on the Consolidated Statements of Income. Leasehold improvements are amortized using the straight-line method over the shorter of the improvements' estimated useful lives or the lease term. An impairment loss on a long-lived asset or asset group, including premises and equipment and a ROU asset, is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value based on the undiscounted cash flows.

Lessee operating and finance leases

Truist has operating and finance leases for data centers, corporate offices, branches, retail centers, and certain equipment, and determines if an arrangement is a lease at inception. Operating leases with an original lease term in excess of one year are included in Other assets and Other liabilities in the Consolidated Balance Sheets. Finance leases are included in Premises and equipment and Long-term debt in the Consolidated Balance Sheets.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating and finance lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Operating lease costs are recorded in Net occupancy expense or Equipment expense based on the underlying asset. Truist uses an implicit interest rate in determining the present value of lease payments when readily determinable, and a collateralized incremental borrowing rate when an implicit rate is not available. Lease terms consider options to extend or terminate based on the determination of whether such renewal or termination options are deemed reasonably certain.

Lease agreements that contain non-lease components are generally accounted for as a single lease component. Variable costs, such as maintenance expenses, property and sales taxes, association dues and index based rate increases, are expensed as they are incurred.

The impairment policy for a ROU asset is discussed within the Premises and Equipment section above.

Bank-Owned Life Insurance

Life insurance policies on certain current and former directors, officers and teammates, for which Truist is the owner and beneficiary are stated at the cash surrender value within Other assets in the Consolidated Balance Sheets. Changes in cash surrender value and proceeds from insurance benefits are recorded in Income from bank-owned life insurance in the Consolidated Statements of Income.

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 affordable housing 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 deferral method of accounting is used on investments that generate investment tax credits, such that the investment tax credits are recognized as a reduction to the related investment. Additionally, the Company recognizes all excess tax benefits and deficiencies on employee share-based payments as a component of the Provision for income taxes in the Consolidated Statements of Income. These tax effects, generally determined upon the exercise of stock options or vesting of restricted stock, are treated as discrete items in the period in which they occur. The provision for income taxes does not reflect the tax effects of unrealized gains and losses and other income and expenses recorded in AOCI. For additional information related to the Company's unrealized gains and losses, see "Note 13. AOCI."

DTAs and DTLs result from differences between the timing of the recognition of assets and liabilities for financial reporting purposes and for income tax purposes. These deferred assets and liabilities are measured using the enacted tax rates and laws that are expected to apply in the periods in which the DTAs or DTLs are expected to be realized. Subsequent changes in the tax laws require adjustment to these deferred assets and liabilities with the cumulative effect included in the Provision for income taxes for the period in which the change is enacted. A valuation allowance is recognized for a DTA, if based on the weight of available evidence, it is more likely than not that some portion or all of the DTA will not be realized.

Interest and penalties related to the Company's tax positions are recognized as a component of the Provision for income taxes in the Consolidated Statements of Income. For additional information on the Company's activities related to income taxes, see "Note 14. Income Taxes."

Derivative Financial Instruments

The Company records derivative contracts at fair value in Other assets and Other liabilities on the Consolidated Balance Sheets. Accounting for changes in the fair value of a derivative depends upon whether or not it has been designated in a formal, qualifying hedging relationship. Changes in the fair value of derivatives not designated in a hedging relationship are recognized within Noninterest income in the Consolidated Statements of Income. This includes derivatives that the Company enters into in a dealer capacity to facilitate client transactions and as a risk management tool to economically hedge certain identified risks associated with assets carried at fair value such as MSRs, along with certain interest rate lock commitments on residential mortgage and commercial loans that are a normal part of the Company's operations. The Company also evaluates contracts, such as brokered deposits and debt, to determine whether any embedded derivatives are required to be bifurcated and separately accounted for as freestanding derivatives.

Certain derivatives used as risk management tools are designated as accounting hedges and are used to mitigate the Company's exposure to changes in interest rates or other identified market risks. The Company prepares written hedge documentation for all derivatives which are designated as hedges of (i) changes in the fair value of a recognized asset or liability (fair value hedge) attributable to a specified risk or (ii) a forecasted transaction, such as the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). The written hedge documentation includes identification of, among other items, the risk management objective, hedging instrument, hedged item and methodologies for assessing and measuring hedge effectiveness, along with support for management's assertion that the hedge will be highly effective. Methodologies related to hedge effectiveness include (i) statistical regression analysis of changes in the cash flows of the actual derivative and hypothetical derivatives, or (ii) statistical regression analysis of changes in the fair values of the actual derivative and the hedged item.

For designated hedging relationships, the Company generally performs subsequent assessments of hedge effectiveness using a qualitative approach.

Below is a summary of the cash flow and fair value hedge programs utilized by Truist:

	Cash Flow Hedges	Fair Value Hedges
Risk exposure	Variability in cash flows of interest payments on floating rate loans, overnight funding and various LIBOR and successor rate funding instruments.	Changes in value on fixed rate long-term debt, FHLB advances, loans and AFS securities due to changes in interest rates.
Risk management objective	Hedge the variability in the interest payments and receipts on future cash flows for forecasted transactions related to the first unhedged payments and receipts of variable interest due to changes in the contractually specified interest rate.	Convert the fixed rate paid or received to a floating rate, primarily through the use of swaps.
Treatment during the hedge period	Changes in value of the hedging instruments are recognized in AOCI until the related cash flows from the hedged item are recognized in earnings. The amount reclassified to earnings is recorded in the same line item as the earnings effect of the hedged item.	Changes in value of both the hedging instruments and the assets or liabilities being hedged are recognized in the income statement line item associated with the asset or liability being hedged.
Treatment if hedge ceases to be highly effective or is terminated	Hedge is dedesignated. Changes in value recorded in AOCI before dedesignation are amortized to yield over the period the forecasted hedged transactions impact earnings.	If hedged item remains outstanding, the basis adjustment that resulted from hedging is amortized into earnings over the designated hedged period or the maturity date of the instrument, and cash flows from terminated hedges are reported in the same category as the cash flows from the hedged item.
Treatment if transaction is no longer probable of occurring during forecast period or within a short period thereafter	Hedge accounting ceases and any gain or loss in AOCI is recognized in earnings immediately.	Not applicable

Derivatives expose the Company to risk that the counterparty to the derivative contract does not perform as expected. The Company manages its exposures to counterparty credit risk associated with derivatives by entering into transactions with counterparties with defined exposure limits based on their credit quality and in accordance with established policies and procedures. All counterparties are reviewed regularly as part of the Company's credit risk management practices and appropriate action is taken to adjust the exposure limits to certain counterparties as necessary. The Company's derivative transactions are generally governed by ISDA agreements or other legally enforceable industry standard master netting agreements. In certain cases and depending on the nature of the underlying derivative transactions, bilateral collateral agreements are also utilized.

The Company and its subsidiaries are subject to OTC derivative clearing requirements, which require certain derivatives to be cleared through central clearing houses. These clearing houses require the Company to post initial and variation margin to mitigate the risk of non-payment, the latter of which is received or paid daily based on the net asset or liability of the contracts. The Company applies settlement to market treatment for the cash collateralizing derivative contracts with certain centrally cleared counterparties. Derivative balances with these counterparties are considered settled by the collateral, and the implementation of the settlement to market treatment was applied based on the effective date of rulebook changes made by the applicable counterparties.

When the Company has more than one outstanding derivative transaction with a single counterparty, and there exists a legal right of setoff with that counterparty, the Company considers its exposure to the counterparty to be the net fair value of its derivative positions with that counterparty. If the net fair value is positive, then the corresponding asset value also reflects cash collateral held. The Company offsets derivative transactions with a single counterparty as well as any cash collateral paid to and received from that counterparty for derivative contracts that are subject to ISDA or other legally enforceable netting arrangements and meet accounting guidance for offsetting treatment.

For additional information on the Company's derivative activities, see "Note 18. Fair Value Disclosures" and "Note 19. Derivative Financial Instruments."

Goodwill and Other Intangible Assets

Goodwill represents the cost in excess of the fair value of net assets acquired (including identifiable intangibles) in transactions accounted for as business combinations. Truist allocates goodwill to the reporting unit(s) that are expected to benefit from the synergies of the business combination.

The goodwill of each reporting unit is reviewed for impairment on an annual basis as of October 1 or more often if events or circumstances indicate that it is more-likely-than-not that the fair value of a reporting unit is below its carrying value. If, after assessing all relevant events or circumstances, Truist concludes that it is more-likely-than-not that the fair value of a reporting unit is below its carrying value, then an impairment test is required. Truist may also elect to bypass the qualitative assessment and proceed directly to the impairment test. In the quantitative test, the fair value of a reporting unit is compared to the carrying value of the reporting unit. If the fair value of a reporting unit is greater than the carrying value, then there is no impairment. If the fair value is less than the carrying value, then an impairment loss is recorded for the amount that the carrying value exceeds the fair value, not to exceed the total amount of goodwill assigned to the reporting unit. The quantitative impairment test estimates the fair value of the reporting units using the income approach and the market approach. The income approach utilizes a discounted cash flow analysis. The market approach utilizes comparable public company information, key valuation multiples and considers a market control premium associated with cost synergies and other cash flow benefits that arise from obtaining control over a reporting unit.

The inputs and assumptions specific to each reporting unit are incorporated in the valuations, including projections of future cash flows, discount rates and applicable valuation multiples based on comparable public company information. Truist also assesses the reasonableness of the aggregate estimated fair value of the reporting units by comparison to its market capitalization over a reasonable period of time, including consideration of historic bank control premiums and the current market.

CDI and other intangible assets include premiums paid for acquisitions of core deposits and other identifiable intangible assets. Intangible assets other than goodwill, which are determined to have finite lives, are amortized over their useful lives, based upon the estimated economic benefits received. For additional information on the Company's activities related to goodwill and other intangibles, see "Note 7. Goodwill and Other Intangible Assets."

MSRs

Truist has two classes of MSRs for which it separately manages the economic risks: residential and commercial. Both classes of MSRs are accounted for primarily at fair value with changes in fair value recorded in Residential mortgage income and Commercial real estate related income on the Consolidated Statements of Income. The fair value of servicing rights is impacted by a variety of factors, including prepayment assumptions, discount rates, delinquency rates, contractually-specified servicing fees, servicing costs, and underlying portfolio characteristics. These risks are hedged with various derivative instruments that are intended to mitigate the income statement effect to changes in fair value. The underlying assumptions and estimated values are corroborated by values received from independent third parties and comparisons to market transactions. For additional information on the Company's servicing rights, see "Note 8. Loan Servicing."

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Depending on the nature of the asset or liability, the Company uses various valuation techniques and assumptions when estimating fair value. The Company classifies inputs used in valuation techniques within the fair value hierarchy discussed in "Note 18. Fair Value Disclosures."

When measuring assets and liabilities at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. Assets and liabilities that are required to be measured at fair value on a recurring basis include trading securities, derivative instruments, AFS securities, and certain other equity securities. Assets and liabilities that the Company has elected to measure at fair value on a recurring basis include trading loans, loans originated to be sold and classified as LHFS, and residential and commercial MSRs. Other assets and liabilities are measured at fair value on a non-recurring basis, such as when assets are evaluated for impairment, the basis of accounting is lower of cost or market, or for disclosure purposes. Examples of these non-recurring fair value measurements include certain LHFS and loans and leases held for investment, OREO, certain cost or equity method investments, and intangible and long-lived assets. For additional information on the Company's valuation of assets and liabilities held at fair value, see "Note 18. Fair Value Disclosures."

Equity-Based Compensation

Truist maintains various equity-based compensation plans that provide for the granting of RSAs, RSUs and PSUs to selected teammates and directors. Truist values share-based awards at the grant date fair value and recognizes the expense over the requisite service period taking into account retirement eligibility. Compensation expense is recognized in Personnel expense in the Consolidated Statements of Income. Forfeitures are recognized as they occur. For additional information on the Company's stock-based compensation plans, see "Note 15. Benefit Plans."

Pension and Postretirement Benefit Obligations

Truist offers various pension plans and postretirement benefit plans to teammates. Calculation of the obligations and related expenses under these plans requires the use of actuarial valuation methods and assumptions. The discount rate assumption used to measure the pension and postretirement benefit obligations is set by reference to a high quality corporate bond yield curve and the individual characteristics of the plan such as projected cash flow patterns and payment durations. The expected long-term rate of return on assets is based on the expected returns for each major asset class in which the plan invests, adjusted for the weight of each asset class in the target mix.

Revenue Recognition

In the ordinary course of business, the Company recognizes two primary types of revenue in its Consolidated Statements of Income, Interest income and Noninterest income. The Company's principal source of revenue is interest income from loans and securities, which is recognized on an accrual basis using the effective interest method. For information on the Company's policies for recognizing interest income on loans and securities, see the "Loans and Leases," "LHFS," "Trading Activities," and "Investment Securities" sections within this Note.

Noninterest income includes revenue from various types of transactions and services provided to clients. The Company recognizes revenue from contracts with customers as performance obligations are satisfied. Performance obligations are typically satisfied in one year or less. Truist elected the practical expedient to expense the incremental costs of obtaining a contract when incurred when the amortization period is one year or less. As of December 31, 2020 and 2019, remaining performance obligations consisted primarily of insurance and investment banking services for contracts with an original expected length of one year or less.

Insurance income

Insurance commissions are received on the sale of insurance products as agent or broker, and revenue is recognized at a point in time upon the placement date of the insurance policies, representing the Company's related performance obligations. Payment is normally received within the policy period. In addition to placement, Truist also provides insurance policy related risk management services. The Company's execution of these risk management services represents its performance obligations. Revenue is recognized over time as these services are provided. Performance-based commissions are recognized when received or earlier when, upon consideration of past results and current conditions, the revenue is deemed not probable of reversal. Insurance commissions are included in the IH operating segment. Refer to "Note 21. Operating Segments" for information on segment results.

Transaction and service-based revenues

Transaction and service-based revenues include Service charges on deposits, Wealth management income, Card and payment related fees, and Investment banking income. Revenue is recognized at a point in time when the transactions occur or over time as services are performed over primarily monthly or quarterly periods. Payment is typically received in the period the transactions occur or, in some cases, within 90 days of the service period. Fees may be fixed or, where applicable, based on a percentage of transaction size or managed assets. These revenues, and their relationship to the Company's operating segments, are further described by type below. Refer to "Note 21. Operating Segments" for information on segment results.

Service charges on deposits include account maintenance, cash and treasury management, wire transfers, ATM, overdraft and other deposit-related fees. The Company's execution of the services related to these fees represents its performance obligations. Each of these performance obligations are either satisfied over time or at a point in time as the services are provided to the client. The Company is the principal when rendering these services. Payments for services provided are either withdrawn from client accounts as services are rendered or in the billing period following the completion of the service. The transaction price for each of these fees is based on the Company's predetermined fee schedules. Service charges on deposits are recognized in the CB&W and C&CB operating segments.

Wealth management income includes trust and investment management income, retail investment and brokerage services, and investment advisory and other specialty wealth management fees. The Company's execution of these services represents its related performance obligations. The Company generally recognizes trust and investment management and advisory revenue over time as services are rendered based on either a percentage of the market value of the assets under management or advisement, or fixed based on the services provided to the client. Fees are generally swept from the client's account either in advance of or in arrears based on the prior period's asset balances under management or advisement. The Company also offers selling and distribution services and earns commissions through the sale of annuity and mutual fund products, acting as agent in these transactions and recognizing revenue at a point in time when the client enters into an agreement with the product carrier. The Company may also receive trailing commissions and 12b-1 fees related to mutual fund and annuity products and recognizes this revenue in the period earned. Retail trade execution commissions are earned and recognized on the trade date with payment on the settlement date. Wealth management income is included in the CB&W operating segment.

Card and payment related fees include interchange fees from credit and debit cards, merchant acquirer revenue and other card related services. Interchange fees are earned by the Company each time a request for payment is initiated by a client at a merchant for which the Company transfers the funds on behalf of the client. Interchange rates are set by the payment network and are based on purchase volumes and other factors. Interchange fees are received daily and recognized at a point in time when the card transaction is processed, which represents the Company's related performance obligation. The Company is considered an agent of the client and incurs costs with the payment network to facilitate the interchange with the merchant; therefore, the related payment network expense is recognized as a reduction of card fees. Truist also offers rewards and/or rebates to its client based on card usage. The costs associated with these programs are recognized as a reduction of card fees. Card and payment related fees are recognized in the CB&W and C&CB operating segments.

Investment banking and trading income includes securities underwriting fees, advisory fees, loan syndication fees, and trade execution services revenue. Underwriting fees are earned on the trade date when the Company, as a member of an underwriting syndicate, purchases the securities from the issuer and sells the securities to third party investors. Each member of the syndicate is responsible for selling its portion of the underwriting and is liable for the proportionate costs of the underwriting; therefore, the Company's portion of underwriting revenue and expense is presented gross within noninterest income and noninterest expense. The transaction price is based on a percentage of the total transaction amount and payments are settled shortly after the trade date. Fees for merger and acquisition advisory services, including various activities such as business valuation, identification of potential targets or acquirers, and the issuance of fairness opinions, are generally earned and recognized by the Company when performance obligations are satisfied. The Company's execution of the advisory services related to these fees represents its performance obligations. The Company is the principal when rendering these services. The transaction price is based on contractually specified terms agreed upon with the client for each advisory service. Loan syndication fees are typically recognized at the closing of a loan syndication transaction. Revenue related to corporate trade execution services is earned and recognized on the trade date with payment on the settlement date. Investment banking and trading income is included in the C&CB operating segment.

Earnings Per Share

Basic EPS is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during each period. Diluted EPS is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during each period, plus common share equivalents calculated for stock options, warrants, and restricted stock outstanding using the treasury stock method. For additional information on the Company's EPS, see "Note 20. Computation of EPS."

Related Party Transactions

The Company periodically enters into transactions with certain of its executive officers, directors, affiliates, trusts, and/or other related parties in its ordinary course of business. The Company is required to disclose material related party transactions, other than certain compensation and other arrangements entered into in the normal course of business. Information related to the Company's relationships with VIEs and employee benefit plan arrangements is included in the Notes to the Consolidated Financial Statements in this Form 10-K.

Subsequent Events

The Company evaluated events that occurred between December 31, 2020 and the date the accompanying financial statements were issued, and there were no material events, other than those already discussed, that would require recognition in the Company's Consolidated Financial Statements or disclosure in the accompanying Notes.

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		
Credit Losses / January 1, 2020	Replaces the incurred loss impairment methodology with an expected credit loss methodology and requires consideration of a broader range of information to determine credit loss estimates. Financial assets measured on an amortized cost basis are presented at the net amount expected to be collected by using an allowance for credit losses. Purchased credit deteriorated loans receive an allowance for expected credit losses. Any credit impairment on AFS debt securities for which the fair value is less than cost is recorded through an allowance for expected credit losses. The standard also requires expanded disclosures related to credit losses and asset quality.	Truist adopted this standard using the modified retrospective approach. The adoption of this standard resulted in a $3.1 billion increase to the ALLL and a $2.1 billion decrease to Retained earnings adjusted for deferred taxes and other impacts. A policy election was made to dissolve the existing PCI loan pools. The amortized cost basis of PCD assets was increased by $378 million at January 1, 2020, which reflects the initial estimate of credit losses for these assets. The remaining noncredit discount will be accreted to Interest and fee income on loans and leases over the contractual lives of the underlying assets using an effective interest method for amortizing loans and a straight-line approach for interest-only loans and loans with revolving privileges. The adoption of this standard did not have a material impact on the AFS securities portfolio.
Simplifying the Test for Goodwill Impairment / January 1, 2020	Simplifies the subsequent measurement of goodwill, by eliminating the second step from the goodwill impairment test. The amendments require an entity to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. The standard requires an entity to recognize an impairment charge for the amount by which a reporting unit's carrying amount exceeds its fair value, with the loss limited to the total amount of goodwill allocated to that reporting unit. The standard must be applied on a prospective basis.	The standard does not currently have an impact on the Company’s consolidated financial statements; however, if subsequent to adoption, the carrying amount of a reporting unit exceeds its respective fair value, the Company would be required to recognize an impairment charge for the amount that the carrying value exceeds the fair value up to the amount of the goodwill assigned to the reporting unit.
Reference Rate Reform / March 12, 2020	Provides optional expedients and exceptions regarding the accounting for contract modifications, hedging relationships and other transactions affected by reference rate reform. The standard was issued March 12, 2020, is effective upon issuance and can be applied through December 31, 2022.	The company elected to apply certain of the practical expedients related to derivative contract modifications and discounting transition beginning in the fourth quarter of 2020. This election did not have a material impact on the Company's consolidated financial statements. Certain other practical expedients not yet elected by the Company may simplify the accounting for reference rate reform, if elected in the future.

NOTE 2. Business Combinations

Effective December 6, 2019, the Company completed its Merger with SunTrust. The Merger was accounted for as a business combination. Accordingly, the assets acquired and liabilities assumed were recorded at their fair values as of the Merger date. The determination of fair value requires management to make estimates about discount rates, future expected cash flows, market conditions and other future events that are highly subjective in nature and subject to change. Fair value estimates related to the acquired assets and liabilities are subject to adjustment until all necessary information related to the valuation process has been received. Adjustments were finalized within one year of the closing date of the Merger. Immaterial amounts of the intangible assets recognized are deductible for income tax purposes.

The following table sets forth the allocation of Merger consideration to the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed of SunTrust as of December 6, 2019:

(Dollars in millions)	UPB	Fair Value
Fair value of Merger consideration		$ 33,547
Assets		
Cash and due from banks		1,621
Interest-bearing deposits with banks		4,668
Securities borrowed or purchased under resale agreements		1,191
Trading assets		5,710
AFS securities		30,986
LHFS		3,752
Loans and leases:		
Commercial and industrial	$ 68,687	67,101
CRE	9,509	9,357
Commercial Construction	2,136	2,096
Commercial Leases	3,967	3,743
Mortgage Loans	28,191	27,180
Home Equity and Direct Lending	15,917	15,628
Indirect Auto	12,373	12,203
Indirect Other	4,678	4,445
Student Lending	6,867	6,657
Credit Card	2,518	2,497
PCI	3,652	3,126
Total loans and leases	$ 158,495	154,033
Premises and equipment		1,496
CDI and other intangible assets		2,734
MSRs		1,605
Other assets		13,646
Total assets		221,442
Liabilities and Equity		
Deposits		(170,633)
Short-term borrowings		(6,837)
Long-term debt		(19,484)
Other liabilities		(5,011)
Total liabilities		(201,965)
Noncontrolling interest		(108)
Less: Net assets		19,369
Goodwill		$ 14,178

The following is a description of the methods used to determine the fair values of significant assets and liabilities.

Cash and cash equivalents; Interest-bearing deposits with banks, and Federal Funds sold and securities purchased under resale agreements: The carrying amount of these assets is a reasonable estimate of fair value based on the short-term nature of these assets.

Trading assets and AFS Securities: Fair values for trading and AFS securities are based on quoted market prices, where available. If quoted market prices are not available, fair value estimates are based on observable inputs including quoted market prices for similar instruments, quoted market prices that are not in an active market or other inputs that are observable in the market. In the absence of observable inputs, fair value is estimated based on pricing models and/or discounted cash flow methodologies. The majority of AFS securities were priced by third party vendors whereas trading securities are priced internally. All securities are subject to IPV. Trading loans are valued primarily using quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active by a third party pricing service.

LHFS: The fair value is primarily based on quoted market prices for securities backed by similar types of loans, adjusted for servicing, interest rate risk and credit risk.

Loans and leases: Fair values for loans are based on a discounted cash flow methodology that considered credit loss expectations, market interest rates and other market factors such as liquidity from the perspective of a market participant. Loans are grouped together according to similar characteristics and are treated in the aggregate when applying various valuation techniques. The probability of default, loss given default and prepayment assumptions are the key factors driving credit losses which are embedded into the estimated cash flows. These assumptions are informed by internal data on loan characteristics, historical loss experience, and current and forecasted economic conditions. The interest and liquidity component of the estimate was determined by discounting interest and principal cash flows through the expected life of each loan. The discount rates used for loans are based on current market rates for new originations of comparable loans and include adjustments for liquidity. The discount rates do not include a factor for credit losses as that has been included as a reduction to the estimated cash flows. All of the merged loans were marked to fair value as of the Merger date and therefore, there was no allowance related to these loans.

CDI: This intangible asset represents the value of the relationships with certain deposit clients. The fair value was estimated based on a discounted cash flow methodology that gave appropriate consideration to expected client attrition rates, cost of the deposit base, reserve requirements, net maintenance cost attributable to client deposits and an estimate of the cost associated with alternative funding sources. The discount rates used for CDI assets are based on current market rates. The CDI is being amortized over 10 years based upon the estimated economic benefits received.

MSRs: Residential MSRs are valued using an OAS valuation model to project cash flows over multiple interest rate scenarios, which are discounted at risk-adjusted rates. Commercial MSRs are valued using a cash flow valuation model that calculates the present value of estimated future net servicing cash flows.

Deposits: The fair values used for the demand and savings deposits by definition equal the amount payable on demand at the Merger date. The fair values for time deposits are estimated using a discounted cash flow calculation that applies interest rates currently being offered to the contractual interest rates on such time deposits.

Short-term borrowings: The carrying amounts of short-term borrowings are reasonable estimates of fair value based on the short-term nature of these liabilities. The fair value of securities sold short is determined in the same manner as trading securities.

Long-term debt: The fair values of long-term debt instruments are estimated based on quoted market prices for the instrument if available, or for similar instruments if not available, or by using discounted cash flow analyses, based on current incremental borrowing rates for similar types of instruments.

Preferred stock: The fair values of preferred stock are estimated based on quoted market prices for the instruments.

Branch Divestitures

In July 2020, Truist completed the divestiture of 30 branches to First Horizon Bank, a wholly owned subsidiary of First Horizon National Corporation, to satisfy regulatory requirements in connection with the Merger. The branches were located in North Carolina, Virginia and Georgia. There were $425 million in loans and leases and $2.2 billion in deposits divested as part of this transaction.

Acquisitions

During 2020, Truist acquired several insurance companies, which resulted in $450 million of goodwill and $346 million of identifiable intangible assets in the IH segment. The intangible assets are being amortized over a weighted average term of 15.4 years based upon the estimated economic benefits received. Goodwill of $171 million and identifiable intangible assets of $160 million are deductible for tax purposes.

NOTE 3. Securities Financing Activities

Securities purchased under resale agreements 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. At December 31, 2020 and 2019, the total market value of collateral held was $1.7 billion and $1.4 billion, of which $27 million and $135 million was repledged, respectively. The following table presents securities borrowed or purchased under resale agreements:

December 31, (Dollars in millions)	2020	2019
Securities purchased under resale agreements	$ 1,158	$ 986
Securities borrowed	587	431
Total securities borrowed or purchased under resale agreements	$ 1,745	$ 1,417

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 16. Commitments and Contingencies" for additional information related to pledged securities. Securities sold under agreements to repurchase are accounted for as secured borrowings. The following table presents the Company's related activity, by collateral type and remaining contractual maturity:

	2020			2019			
December 31, (Dollars in millions)	Overnight and Continuous	Up to 30 days	Total	Overnight and Continuous	Up to 30 days	30-90 days	Total
U.S. Treasury	$ 305	$ 31	$ 336	$ 115	$ 35	$ —	$ 150
GSE	45	9	54	87	37	—	124
Agency MBS - residential	442	6	448	928	41	100	1,069
Corporate and other debt securities	204	179	383	310	316	—	626
Total securities sold under agreements to repurchase	$ 996	$ 225	$ 1,221	$ 1,440	$ 429	$ 100	$ 1,969

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 securities:

December 31, 2020 (Dollars in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities:				
U.S. Treasury	$ 1,721	$ 25	$ —	$ 1,746
GSE	1,840	77	—	1,917
Agency MBS - residential	111,589	1,975	23	113,541
Agency MBS - commercial	2,987	72	2	3,057
States and political subdivisions	447	47	1	493
Other	34	—	—	34
Total AFS securities	$ 118,618	$ 2,196	$ 26	$ 120,788

December 31, 2019 (Dollars in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS securities:				
U.S. Treasury	$ 2,275	$ 7	$ 6	$ 2,276
GSE	1,847	34	—	1,881
Agency MBS - residential	67,983	411	158	68,236
Agency MBS - commercial	1,335	13	7	1,341
States and political subdivisions	557	34	6	585
Non-agency MBS	190	178	—	368
Other	40	—	—	40
Total AFS securities	$ 74,227	$ 677	$ 177	$ 74,727

Certain securities issued by FNMA and FHLMC exceeded 10% of shareholders' equity at December 31, 2020. The FNMA investments had total amortized cost and fair value of $28.5 billion and $29.0 billion, respectively. The FHLMC investments had total amortized cost and fair value of $29.0 billion and $29.4 billion, respectively.

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 differ from contractual maturities because borrowers may have the right to prepay their obligations with or without penalties.

	Amortized Cost					Fair Value				
December 31, 2020 (Dollars in millions)	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	$ 253	$ 1,468	$ —	$ —	$ 1,721	$ 254	$ 1,492	$ —	$ —	$ 1,746
GSE	282	1,487	—	71	1,840	288	1,553	—	76	1,917
Agency MBS - residential	—	1	427	111,161	111,589	—	1	441	113,099	113,541
Agency MBS - commercial	—	1	9	2,977	2,987	—	2	10	3,045	3,057
States and political subdivisions	29	128	100	190	447	29	132	115	217	493
Other	1	7	—	26	34	1	7	—	26	34
Total AFS securities	$ 565	$ 3,092	$ 536	$ 114,425	$ 118,618	$ 572	$ 3,187	$ 566	$ 116,463	$ 120,788

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:

December 31, 2020 (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	$ 17	$ —	$ —	$ —	$ 17	$ —
Agency MBS - residential	4,028	21	203	2	4,231	23
Agency MBS - commercial	463	2	4	—	467	2
States and political subdivisions	20	—	32	1	52	1
Other	6	—	—	—	6	—
Total	$ 4,534	$ 23	$ 239	$ 3	$ 4,773	$ 26

December 31, 2019 (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	$ 702	$ 6	$ —	$ —	$ 702	$ 6
GSE	6	—	—	—	6	—
Agency MBS - residential	20,328	145	1,326	13	21,654	158
Agency MBS - commercial	545	5	124	2	669	7
States and political subdivisions	65	1	144	5	209	6
Total	$ 21,646	$ 157	$ 1,594	$ 20	$ 23,240	$ 177

At December 31, 2020, no ACL was established for AFS securities. Substantially all of the unrealized losses on the securities portfolio 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. The majority of the unrealized loss on states and political subdivisions securities was the result of fair value hedge basis adjustments that are a component of amortized cost.

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

Year Ended December 31, (Dollars in millions)	2020	2019	2018
Gross realized gains	$ 404	$ 47	$ 4
Gross realized losses	(2)	(163)	(1)
Securities gains (losses), net	$ 402	$ (116)	$ 3

For 2020, the realized gains primarily relate to the sales of non-agency and agency MBS in the second and third quarter, respectively.

NOTE 5. Loans and ACL

The following tables present loans and leases HFI by aging category. Government guaranteed loans are not placed on nonaccrual status regardless of delinquency because collection of principal and interest is reasonably assured. The past due status of loans that received a deferral under the CARES Act is generally frozen during the deferral period. In certain limited circumstances, accommodation programs result in the delinquency status being reset to current.

December 31, 2020 (Dollars in millions)	Accruing				
	Current	30-89 Days Past Due	90 Days Or More Past Due	Nonperforming	Total
Commercial:					
Commercial and industrial	$ 137,726	$ 83	$ 13	$ 532	$ 138,354
CRE	26,506	14	—	75	26,595
Commercial construction	6,472	5	—	14	6,491
Lease financing	5,206	6	—	28	5,240
Consumer:					
Residential mortgage	45,333	782	841	316	47,272
Residential home equity and direct	25,751	98	10	205	26,064
Indirect auto	25,498	495	2	155	26,150
Indirect other	11,102	68	2	5	11,177
Student	5,823	618	1,111	—	7,552
Credit card	4,759	51	29	—	4,839
Total	$ 294,176	$ 2,220	$ 2,008	$ 1,330	$ 299,734

December 31, 2019 (Dollars in millions)	Accruing				
	Current	30-89 Days Past Due	90 Days Or More Past Due	Nonperforming	Total
Commercial:					
Commercial and industrial	$ 129,873	$ 94	$ 1	$ 212	$ 130,180
CRE	26,817	5	—	10	26,832
Commercial construction	6,204	1	—	—	6,205
Lease financing	6,112	2	—	8	6,122
Consumer:					
Residential mortgage	50,975	498	543	55	52,071
Residential home equity and direct	26,846	122	9	67	27,044
Indirect auto	23,771	560	11	100	24,442
Indirect other	11,011	85	2	2	11,100
Student	5,905	650	188	—	6,743
Credit card	5,541	56	22	—	5,619
PCI	2,126	140	1,218	—	3,484
Total	$ 295,181	$ 2,213	$ 1,994	$ 454	$ 299,842

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

December 31, 2020 (Dollars in millions)	Amortized Cost Basis by Origination Year						Revolving Credit	Loans Converted to Term	Other (1)	Total
	2020	2019	2018	2017	2016	Prior				
Commercial:										
Commercial and industrial:										
Pass	$ 34,858	$ 18,881	$ 13,312	$ 7,713	$ 5,174	$ 8,888	$ 42,780	$ 231	$ (579)	$ 131,258
Special mention	471	434	343	98	120	157	1,808	5	(1)	3,435
Substandard	461	445	339	121	144	256	1,353	12	(2)	3,129
Nonperforming	38	92	48	29	25	61	233	4	2	532
Total	35,828	19,852	14,042	7,961	5,463	9,362	46,174	252	(580)	138,354
CRE:										
Pass	4,563	6,600	4,427	2,752	1,473	2,096	617	—	(69)	22,459
Special mention	171	599	585	116	77	141	—	—	—	1,689
Substandard	410	776	438	281	182	280	5	—	—	2,372
Nonperforming	1	15	1	9	6	43	—	—	—	75
Total	5,145	7,990	5,451	3,158	1,738	2,560	622	—	(69)	26,595
Commercial construction:										
Pass	1,052	2,141	1,889	232	27	110	534	—	2	5,987
Special mention	—	108	64	1	—	—	2	—	—	175
Substandard	70	106	73	59	6	1	—	—	—	315
Nonperforming	1	3	—	7	—	—	—	3	—	14
Total	1,123	2,358	2,026	299	33	111	536	3	2	6,491
Lease financing:										
Pass	1,377	1,139	775	746	241	760	—	—	27	5,065
Special mention	1	39	20	5	—	7	—	—	—	72
Substandard	—	34	3	4	3	31	—	—	—	75
Nonperforming	2	5	3	9	4	5	—	—	—	28
Total	1,380	1,217	801	764	248	803	—	—	27	5,240
Consumer:										
Residential mortgage:										
Performing	8,197	6,729	3,735	4,374	5,424	18,333	—	—	164	46,956
Nonperforming	3	13	16	13	14	257	—	—	—	316
Total	8,200	6,742	3,751	4,387	5,438	18,590	—	—	164	47,272
Residential home equity and direct:										
Performing	4,513	3,126	1,416	481	214	557	13,886	1,619	47	25,859
Nonperforming	1	4	2	1	1	7	87	101	1	205
Total	4,514	3,130	1,418	482	215	564	13,973	1,720	48	26,064
Indirect auto:										
Performing	10,270	7,436	4,015	2,401	1,220	506	—	—	147	25,995
Nonperforming	13	50	44	27	15	12	—	—	(6)	155
Total	10,283	7,486	4,059	2,428	1,235	518	—	—	141	26,150
Indirect other:										
Performing	4,433	3,019	1,706	826	431	718	—	—	39	11,172
Nonperforming	1	1	1	—	—	2	—	—	—	5
Total	4,434	3,020	1,707	826	431	720	—	—	39	11,177
Student:										
Performing	22	110	95	81	64	7,185	—	—	(5)	7,552
Credit card	—	—	—	—	—	—	4,802	37	—	4,839
Total	$ 70,929	$ 51,905	$ 33,350	$ 20,386	$ 14,865	$ 40,413	$ 66,107	$ 2,012	$ (233)	$ 299,734

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

The following table presents the carrying amount of loans by risk rating and performing status. Student loans are excluded as there is nominal risk of credit loss due to government guarantees or other credit enhancements. PCI loans were excluded because their related ALLL is determined by loan pool performance, and credit card loans were excluded as these loans are charged-off rather than reclassified as nonperforming:

December 31, (Dollars in millions)	2019 Commercial & Industrial	CRE	Commercial Construction	Lease Financing
Commercial:				
Pass	$ 127,229	$ 26,393	$ 6,037	$ 6,039
Special mention	1,264	145	37	19
Substandard	1,475	284	131	56
Nonperforming	212	10	—	8
Total	$ 130,180	$ 26,832	$ 6,205	$ 6,122

December 31, (Dollars in millions)	2019 Residential Mortgage	Residential home equity and direct	Indirect auto	Indirect Other
Consumer:				
Performing	$ 52,016	$ 26,977	$ 24,342	$ 11,098
Nonperforming	55	67	100	2
Total	$ 52,071	$ 27,044	$ 24,442	$ 11,100

ACL

The following tables present activity in the ACL:

(Dollars in millions)	Balance at Jan 1, 2018	Charge-Offs	Recoveries	Provision (Benefit)	Other	Balance at Dec 31, 2018
Commercial:						
Commercial and industrial	$ 522	$ (92)	$ 39	$ 77	$ —	$ 546
CRE	118	(10)	3	31	—	142
Commercial construction	42	(3)	5	4	—	48
Lease financing	9	(4)	1	5	—	11
Consumer:						
Residential mortgage	209	(21)	2	42	—	232
Residential home equity and direct	113	(79)	25	45	—	104
Indirect auto	296	(342)	49	295	—	298
Indirect other	52	(49)	13	42	—	58
Credit card	101	(76)	17	68	—	110
PCI	28	(2)	—	(17)	—	9
ALLL	1,490	(678)	154	592	—	1,558
RUFC	119	—	—	(26)	—	93
ACL	$ 1,609	$ (678)	$ 154	$ 566	$ —	$ 1,651

(Dollars in millions)	Balance at Jan 1, 2019	Charge-Offs	Recoveries	Provision (Benefit)	Other (1)	Balance at Dec 31, 2019
Commercial:						
Commercial and industrial	$ 546	$ (90)	$ 25	$ 79	$ —	$ 560
CRE	142	(33)	5	36	—	150
Commercial construction	48	—	3	1	—	52
Lease financing	11	(11)	1	9	—	10
Consumer:						
Residential mortgage	232	(21)	2	(37)	—	176
Residential home equity and direct	104	(93)	30	66	—	107
Indirect auto	298	(370)	52	324	—	304
Indirect other	58	(62)	17	47	—	60
Credit card	110	(109)	20	101	—	122
PCI	9	—	—	(1)	—	8
ALLL	1,558	(789)	155	625	—	1,549
RUFC	93	—	—	(10)	257	340
ACL	$ 1,651	$ (789)	$ 155	$ 615	$ 257	$ 1,889

(Dollars in millions)	Balance at Jan 1, 2020 (2)	Charge-Offs	Recoveries	Provision (Benefit)	Other (3)	Balance at Dec 31, 2020
Commercial:						
Commercial and industrial	$ 560	$ (358)	$ 92	$ 958	$ 904	$ 2,156
CRE	150	(78)	5	414	82	573
Commercial construction	52	(30)	11	32	16	81
Lease financing	10	(54)	4	(6)	94	48
Consumer:						
Residential mortgage	176	(56)	10	(27)	265	368
Residential home equity and direct	107	(231)	66	318	454	714
Indirect auto	304	(378)	87	367	818	1,198
Indirect other	60	(60)	23	35	150	208
Student	—	(23)	1	23	129	130
Credit card	122	(182)	32	212	175	359
PCI	8	—	—	—	(8)	—
ALLL	1,549	(1,450)	331	2,326	3,079	5,835
RUFC	340	—	—	9	15	364
ACL	$ 1,889	$ (1,450)	$ 331	$ 2,335	$ 3,094	$ 6,199

(1) Includes amounts assumed in the Merger.
(2) Balance is prior to the adoption of CECL.
(3) Includes the adoption of CECL, the ALLL for PCD acquisitions and other activity.

The adoption of CECL increased the ALLL $3.1 billion. The following discussion summarizes the changes in the factors that influenced Truist's ACL estimate.

The commercial ALLL increased $2.1 billion for year ended December 31, 2020. The increase reflects the adoption of CECL and a more pessimistic outlook with respect to future economic conditions driven by the COVID-19 pandemic. The increase also reflects specific consideration of the risks associated with exposures to certain industries most impacted by COVID-19, including oil and gas, hospitality, and lending to small businesses.

The consumer ALLL increased $2.0 billion for the year ended December 31, 2020. The increase reflects the impact of CECL and the more pessimistic outlook described above, with the largest increases seen in the unsecured portfolios and the non-prime auto lending portfolio. These increases are partially offset by a decrease in outstanding loans in the residential mortgage and residential home equity and direct portfolios.

The ALLL for credit card increased $237 million for the year ended December 31, 2020. The increase reflects the adoption of CECL and the more pessimistic outlook described above, which was partially offset by a reduction due to lower loan balances.

The RUFC increased $24 million for the year ended December 31, 2020. The increase reflects the adoption of CECL and the more pessimistic outlook described above.

Truist's ACL estimate represents management's best estimate of expected credit losses related to the loan and lease portfolio, including unfunded commitments, at the balance sheet date. This estimate incorporates both quantitatively-derived output, as well as qualitative components that represent expected losses not otherwise captured by the models.

The quantitative models have been designed to estimate losses using macroeconomic forecast data over a reasonable and supportable forecast period, which management has determined to be two years, followed by a reversion to long-term historical loss conditions over a one-year period. These macroeconomic forecasts data include a number of key economic variables utilized in loss forecasting that include, but are not limited to, unemployment trends, US real GDP, corporate credit spreads, rental rates, property values, the primary 30-year mortgage rate, 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 considered multiple third party macroeconomic forecasts that reflected a range of possible outcomes in order to capture uncertainty in the economic environment. The economic forecast shaping the ACL estimate at December 31, 2020 included a GDP recovery to pre-pandemic levels by the end of 2021 with a stable unemployment rate through the middle of 2021 followed by continued improvement through the remainder of the reasonable and supportable period.

Quantitative models have certain limitations with respect to estimating expected losses in times of rapidly changing macroeconomic 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 a prominent factor in establishing the ACL for the foreseeable future. The December 31, 2020 ACL estimate includes qualitative adjustments to address limitations in modeled results with respect to forecasted economic conditions that are well outside of historic economic ranges used to develop the models and to give consideration to other risks in the portfolio, including the impact of government relief programs, stimulus and client accommodations, that are not directly considered in the quantitative models.

PCD Loan Activity

For PCD loans, the initial estimate of expected credit losses is recognized in the ALLL on the date of acquisition using the same methodology as other loans held for investment. The following table provides a summary of purchased student loans with credit deterioration at acquisition:

Year Ended December 31, 2020 (Dollars in millions)	
Par value	$ 745
ALLL at acquisition	(10)
Non-credit premium (discount)	(1)
Purchase price	$ 734

Nonperforming and Impaired Loans

The following table provides a summary of nonperforming loans, excluding LHFS. Interest income recognized on nonperforming loans HFI was $32 million for the year ended December 31, 2020.

	Recorded Investment	
December 31, 2020 (Dollars in millions)	Without an ALLL	With an ALLL
Commercial:		
Commercial and industrial	$ 82	$ 450
CRE	63	12
Commercial construction	—	14
Lease financing	—	28
Consumer:		
Residential mortgage	4	312
Residential home equity and direct	2	203
Indirect auto	1	154
Indirect other	—	5
Total	$ 152	$ 1,178

The following table includes certain information regarding impaired loans, excluding PCI and LHFS, that were individually evaluated for impairment. This table excludes guaranteed student loans and guaranteed residential mortgages for which there was nominal risk of principal loss due to the government guarantee or other credit enhancements.

		Recorded Investment				
As of / For The Year Ended December 31, 2019 (Dollars in millions)	UPB	Without an ALLL	With an ALLL	Related ALLL	Average Recorded Investment	Interest Income Recognized
Commercial:						
Commercial and industrial	$ 339	$ 124	$ 167	$ 20	$ 298	$ 6
CRE	29	3	26	2	71	1
Commercial construction	39	—	38	7	5	—
Lease financing	18	7	2	—	2	—
Consumer:						
Residential mortgage	650	92	527	42	799	34
Residential home equity and direct	76	24	37	5	65	3
Indirect auto	367	9	349	64	334	53
Indirect other	5	—	5	1	4	—
Credit card	31	—	31	12	28	1
Total	$ 1,554	$ 259	$ 1,182	$ 153	$ 1,606	$ 98

TDRs

The following table presents a summary of TDRs:

December 31, (Dollars in millions)	2020	2019
Performing TDRs:		
Commercial:		
Commercial and industrial	$ 78	$ 47
CRE	47	6
Commercial construction	—	37
Lease financing	60	—
Consumer:		
Residential mortgage	648	470
Residential home equity and direct	88	51
Indirect auto	392	333
Indirect other	6	5
Student	5	—
Credit card	37	31
Total performing TDRs	1,361	980
Nonperforming TDRs	164	82
Total TDRs	$ 1,525	$ 1,062
ALLL attributable to TDRs	$ 260	$ 132

The primary reason loan modifications were classified as 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.

December 31, 2020 (Dollars in millions)	Type of Modification		Prior Quarter Loan Balance	ALLL at Period End
	Rate	Structure		
Newly designated TDRs:				
Commercial:				
Commercial and industrial	$ 49	$ 93	$ 173	$ 14
CRE	39	13	45	6
Commercial construction	—	—	1	—
Lease financing	1	70	71	4
Consumer:				
Residential mortgage	374	112	493	21
Residential home equity and direct	37	34	70	2
Indirect auto	129	85	223	26
Indirect other	3	3	5	—
Student	—	6	6	—
Credit card	29	—	28	10
Re-modification of previously designated TDRs	41	22		

December 31, 2019 (Dollars in millions)	Type of Modification		Prior Quarter Loan Balance	ALLL at Period End
	Rate	Structure		
Newly designated TDRs:				
Commercial:				
Commercial and industrial	$ 56	$ 11	$ 61	$ 8
CRE	1	1	4	—
Commercial construction	36	—	36	7
Lease financing	—	—	—	—
Consumer:				
Residential mortgage	224	27	254	19
Residential home equity and direct	8	3	9	1
Indirect auto	209	8	226	44
Indirect other	4	—	4	—
Student	—	—	—	—
Credit card	24	—	18	9
Re-modification of previously designated TDRs	53	23		

December 31, 2018 (Dollars in millions)	Type of Modification		Prior Quarter Loan Balance	ALLL at Period End
	Rate	Structure		
Newly designated TDRs:				
Commercial:				
Commercial and industrial	$ 74	$ 62	$ 126	$ 8
CRE	31	2	26	1
Commercial construction	1	1	2	—
Lease financing	—	—	—	—
Consumer:				
Residential mortgage	250	30	280	22
Residential home equity and direct	8	2	6	1
Indirect auto	191	4	183	39
Indirect other	4	—	3	1
Student	—	—	—	—
Credit card	18	—	18	8
Re-modification of previously designated TDRs	120	15		

Charge-offs and forgiveness of principal and interest for TDRs were immaterial for all periods presented.

The re-default balance for modifications that had been classified as TDRs during the previous 12 months that experienced a payment default was $93 million, $78 million and $76 million for the years ended December 31, 2020, 2019 and 2018, respectively. Payment default is defined as movement of the TDR to nonperforming status, foreclosure or charge-off, whichever occurs first.

NPAs

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

December 31, (Dollars in millions)	2020	2019
Nonperforming loans and leases HFI (1)	$ 1,330	$ 454
Nonperforming LHFS	5	107
Foreclosed real estate	20	82
Other foreclosed property	32	41
Total nonperforming assets	$ 1,387	$ 684
Residential mortgage loans in the process of foreclosure	$ 140	$ 409

(1) Beginning January 1, 2020, nonperforming loans and leases include certain assets previously classified as PCI.

Unearned Income, Discounts and Net Deferred Loan Fees and Costs

The following table presents additional information about loans and leases:

December 31, (Dollars in millions)	2020	2019
Unearned income, discounts and net deferred loan fees and costs, excluding PCI	$ 2,219	$ 4,069

NOTE 6. Premises and Equipment

A summary of premises and equipment is presented in the accompanying table:

December 31, (Dollars in millions)	Estimated Useful Life	2020	2019
Land and land improvements	Indefinite	$ 968	$ 1,005
Buildings and building improvements	40 years	2,724	2,253
Furniture and equipment	3 - 15	1,509	1,396
Leasehold improvements		978	995
Construction in progress		179	196
Finance leases		72	152
Total		6,430	5,997
Less: Accumulated depreciation		(2,560)	(2,285)
Net premises and equipment		$ 3,870	$ 3,712

NOTE 7. Goodwill and Other Intangible Assets

Truist performed a quantitative goodwill impairment test for its CB&W, C&CB and IH reporting units as of October 1, 2020. Based on the results of the impairment analyses, the Company concluded that the fair values of the reporting units exceed their respective carrying values; therefore, there was no goodwill impairment. However, for the C&CB reporting unit the fair value of the reporting unit exceeded its carrying value by less than 10%, indicating that the goodwill of this reporting unit may be at risk of impairment. The Company monitored events and circumstances during the fourth quarter of 2020, including the continuing effects of the COVID-19 pandemic, concluding 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 December 31, 2020. See "Note 1. Basis of Presentation," for additional information regarding Truist's goodwill accounting policy.

The changes in the carrying amount of goodwill attributable to operating segments are reflected in the table below. The adjustments for 2020 include measurement period adjustments to the fair value of acquired assets and liabilities and the reallocation of net assets to the underlying reporting units. The adjustments to CDI and other intangibles did not have a material impact to estimated amortization expense for the next five years. Adjustments to the reallocation of net assets to Truist's reporting units include updates to the estimated operating results and the finalization of corporate expense allocations. Refer to "Note 2. Business Combinations" for additional information on the Merger and IH acquisitions, and "Note 21. Operating Segments" for additional information on segments.

(Dollars in millions)	CB&W	C&CB	IH	Total
Goodwill, January 1, 2018	$ 3,907	$ 3,938	$ 1,773	$ 9,618
Mergers and acquisitions	—	—	201	201
Adjustments and other	(1)	—	—	(1)
Goodwill, December 31, 2018	3,906	3,938	1,974	9,818
Mergers and acquisitions	10,134	4,187	21	14,342
Adjustments and other	—	—	(6)	(6)
Goodwill, December 31, 2019	14,040	8,125	1,989	24,154
Mergers and acquisitions	—	—	450	450
Adjustments and other	1,801	(1,958)	—	(157)
Goodwill, December 31, 2020	$ 15,841	$ 6,167	$ 2,439	$ 24,447

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

		2020			2019		
December 31, (Dollars in millions)	Weighted Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
CDI	8.8 years	$ 2,600	$ (852)	$ 1,748	$ 2,474	$ (365)	$ 2,109
Other, primarily client relationship intangibles	12.3 years	2,217	(981)	1,236	1,808	(775)	1,033
Total		$ 4,817	$ (1,833)	$ 2,984	$ 4,282	$ (1,140)	$ 3,142

The estimated amortization expense of identifiable intangibles for the next five years and thereafter is presented as follows:

Year Ended December 31, (Dollars in millions)	2021	2022	2023	2024	2025	Thereafter
Estimated amortization expense	$ 584	$ 471	$ 392	$ 330	$ 273	$ 934

NOTE 8. Loan Servicing

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

Residential Mortgage Activities

The following tables summarize residential mortgage servicing activities:

December 31, (Dollars in millions)	2020	2019	2018
UPB of residential mortgage loan servicing portfolio	$ 239,034	$ 279,558	$ 118,605
UPB of residential mortgage loans serviced for others, primarily agency conforming fixed rate	188,341	219,347	87,270
Mortgage loans sold with recourse	328	371	419
Maximum recourse exposure from mortgage loans sold with recourse liability	201	212	223
Indemnification, recourse and repurchase reserves	93	44	24

As of / For the Year Ended December 31, (Dollars in millions)	2020	2019	2018
UPB of residential mortgage loans sold from LHFS	$ 48,366	$ 16,646	$ 10,094
Pre-tax gains recognized on mortgage loans sold and held for sale	1,034	122	116
Servicing fees recognized from mortgage loans serviced for others	630	265	256
Approximate weighted average servicing fee on the outstanding balance of residential mortgage loans serviced for others	0.32 %	0.31 %	0.28 %
Weighted average interest rate on mortgage loans serviced for others	3.84	4.04	4.04

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

Year Ended December 31, (Dollars in millions)	2020	2019	2018
Residential MSRs, carrying value, January 1	$ 2,371	$ 957	914
Merger	—	1,506	—
Additions	653	171	116
Change in fair value due to changes in valuation inputs or assumptions:			
Prepayment speeds	(572)	(131)	(12)
OAS	75	32	57
Servicing costs	—	—	22
Realization of expected net servicing cash flows, passage of time and other	(749)	(164)	(140)
Residential MSRs, carrying value, December 31	$ 1,778	$ 2,371	$ 957

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

	2020			2019		
	Range			Range		
December 31, (Dollars in millions)	Min	Max	Weighted Average	Min	Max	Weighted Average
Prepayment speed	12.8 %	30.8 %	15.4 %	8.4 %	18.6 %	9.6 %
Effect on fair value of a 10% increase			$ (89)			$ (102)
Effect on fair value of a 20% increase			(171)			(195)
OAS	3.5 %	13.7 %	7.3 %	4.0 %	13.5 %	6.7 %
Effect on fair value of a 10% increase			$ (45)			$ (54)
Effect on fair value of a 20% increase			(88)			(106)
Composition of loans serviced for others:						
Fixed-rate residential mortgage loans			98.8 %			98.5 %
Adjustable-rate residential mortgage loans			1.2			1.5
Total			100.0 %			100.0 %
Weighted average life			4.8 years			5.4 years

The sensitivity calculations above are hypothetical and should not be considered to be 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 18. Fair Value Disclosures" for additional information on the valuation techniques used.

Commercial Mortgage Activities

The following table summarizes commercial mortgage servicing activities for the periods presented:

December 31, (Dollars in millions)	2020	2019
UPB of CRE mortgages serviced for others	$ 36,670	$ 70,404
CRE mortgages serviced for others covered by recourse provisions	9,019	8,676
Maximum recourse exposure from CRE mortgages sold with recourse liability	2,624	2,479
Recorded reserves related to recourse exposure	18	13
CRE mortgages originated during the year-to-date period	6,739	8,062
Commercial MSRs at fair value	245	247

In the third quarter of 2020, the Company transferred certain servicing activities involving cancellable servicing rights to third parties, resulting in a decrease in the UPB of CRE mortgages serviced for others. This transfer did not materially impact commercial MSRs.

NOTE 9. 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. At December 31, 2020, the Company had $32 million of operating leases that had not yet commenced. The following tables present additional information on leases, and excludes assets related to the lease financing businesses:

December 31, 2020 (Dollars in millions)	Operating Leases	Finance Leases
ROU assets	$ 1,333	$ 36
Maturities of lease liabilities:		
2021	$ 361	$ 10
2022	366	11
2023	311	7
2024	258	5
2025	210	4
Thereafter	573	10
Total lease payments	2,079	47
Less: imputed interest	183	5
Total lease liabilities	$ 1,896	$ 42
Weighted average remaining term	6.9 years	6.3 years
Weighted average discount rate	2.4 %	4.8 %

Year Ended December 31, (Dollars in millions)	2020	2019
Operating lease costs	$ 360	$ 209

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 and activity related to assets under operating leases. This table excludes subleases on assets included in premises and equipment.

December 31, (Dollars in millions)	2020	2019
Assets held under operating leases (1)	$ 2,144	$ 2,236
Accumulated depreciation	(517)	(391)
Net	$ 1,627	$ 1,845

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

The residual value of assets no longer under operating leases was immaterial.

Bank-Owned Life Insurance

Bank-owned life insurance consists of life insurance policies held on certain teammates for which the Company is the beneficiary. These policies provide the Company an efficient form of funding for retirement and other employee benefits costs. The carrying value of bank-owned life insurance was $6.5 billion at December 31, 2020 and $6.4 billion December 31, 2019.

NOTE 10. Deposits

The composition of deposits is presented in the following table:

December 31, (Dollars in millions)	2020	2019
Noninterest-bearing deposits	$ 127,629	$ 92,405
Interest-bearing deposits:		
Interest checking	105,269	85,492
Money market and savings	126,238	120,934
Time deposits	21,941	35,896
Total deposits	$ 381,077	$ 334,727
Time deposits greater than $250,000	$ 3,296	$ 9,362

The following table presents time deposits maturities:

Year Ended December 31, (Dollars in millions)	2021	2022	2023	2024	2025	Thereafter
Future time deposit maturities	$ 17,438	$ 2,987	$ 873	$ 310	$ 283	$ 50

NOTE 11. Borrowings

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

December 31, (Dollars in millions)	2020	2019
Federal funds purchased	$ 79	$ 259
Securities sold under agreements to repurchase	1,221	1,969
FHLB advances	2,649	13,480
Collateral in excess of derivative exposures	385	682
Master notes	621	493
Other short-term borrowings	1,137	1,335
Total short-term borrowings	$ 6,092	$ 18,218

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

	2020				2019
		Stated Rate			
December 31, (Dollars in millions)	Maturity	Min	Max	Effective Rate (1)	Carrying Amount	Carrying Amount
Truist Financial Corporation:						
Fixed rate senior notes	2021 to 2030	1.13 %	6.00 %	2.52 %	$ 15,984	$ 14,431
Floating rate senior notes	2021 2022	0.43	0.88	0.64	900	1,749
Fixed rate subordinated notes (2)	2022 2029	3.88	6.00	3.78	1,283	1,227
Capital notes	2027 2028	0.87	1.21	1.69	615	611
Structured notes (3)	2021 2026				108	112
Truist Bank:						
Fixed rate senior notes	2021 2025	1.25	4.05	2.10	11,907	11,560
Floating rate senior notes	2022 2037	0.80	0.83	0.70	1,567	1,554
Fixed rate subordinated notes (2)	2025 2030	2.25	3.80	3.03	5,142	3,872
FHLB advances	2021 2034	—	5.36	5.32	878	4,141
Other long-term debt (4)					1,014	1,133
Nonbank subsidiaries:						
Other long-term debt (5)					199	949
Total long-term debt					$ 39,597	$ 41,339

(1) Includes the impact of debt issuance costs and purchase accounting, and excludes hedge accounting impacts.
(2) Subordinated 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.
(3) Consist of notes with various terms that include fixed or floating rate interest, or returns that are linked to an equity index.
(4) Includes finance leases, tax credit investments, and other.
(5) Includes debt associated with structured real estate leases.

The Company does not consolidate certain wholly-owned trusts which were formed for the sole purpose of issuing trust preferred securities. The proceeds from the trust preferred securities issuances were invested in capital notes of the Parent Company. The Parent Company's obligations constitute a full and unconditional guarantee of the trust preferred securities.

During 2020, the Company issued and redeemed certain FHLB advances, which resulted in a loss on early extinguishment of long-term debt of $235 million.

The following table presents future debt maturities:

Year Ended December 31, (Dollars in millions)	2021	2022	2023	2024	2025	Thereafter
Future debt maturities (1)	$ 5,373	$ 9,236	$ 5,139	$ 5,309	$ 5,797	$ 8,748

(1) Amounts include imputed interest of $5 million related to finance leases.

NOTE 12. Shareholders' Equity

Common Stock

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

Year Ended December 31,	2020	2019	2018
Cash dividends declared per share	$ 1.80	$ 1.71	$ 1.56

Share Repurchase Activity

In December 2020, Truist announced the Board of Directors had authorized the repurchase of up to $2.0 billion of common stock beginning in the first quarter of 2021 to optimize Truist's capital position. During 2018, the Company repurchased $1.2 billion of common stock, which represented 23.2 million shares, through a combination of open market and accelerated share repurchases. Repurchased shares revert to the status of authorized and unissued shares upon repurchase.

Preferred Stock

Dividends on the preferred stock are non-cumulative and payable when declared by the Company's Board or a duly authorized committee of the Board. The Company issued depositary shares, each of which represents a fractional ownership interest in a share of the Company's preferred stock. The preferred stock has no stated maturity and redemption is solely at the option of the Company in whole or in part after the earliest redemption date at the liquidation preference plus declared and unpaid dividends. Prior to the redemption date, the Company has the option to redeem in whole, but not in part, upon the occurrence of a regulatory capital treatment event.

The following table presents a summary of the non-cumulative perpetual preferred stock as of December 31, 2020:

Preferred Stock Issue (Dollars in millions)	Issuance Date	Earliest Redemption Date	Liquidation Amount	Carrying Amount	Dividend Rate		Dividend Payments	
Series F	10/31/2012	11/1/2017	$ 450	$ 437	5.200 %		Quarterly	
Series G	5/1/2013	6/1/2018	500	486	5.200		Quarterly	
Series H	3/9/2016	6/1/2021	465	451	5.625		Quarterly	
Series I	12/6/2019 (1)	12/15/2024	173	168	4.000	(2)	Quarterly	
Series J	12/6/2019 (1)	12/15/2024	103	92	4.000	(3)	Quarterly	
Series L	12/6/2019 (1)	12/15/2024	750	766	5.050	(4)	Semi-annually	(9)
Series M	12/6/2019 (1)	12/15/2027	500	516	5.125	(5)	Semi-annually	(10)
Series N	7/29/2019	9/1/2024	1,700	1,683	4.800	(6)	Semi-annually	
Series O	5/27/2020	6/1/2025	575	559	5.250		Quarterly	
Series P	6/1/2020	12/1/2025	1,000	992	4.950	(7)	Semi-annually	
Series Q	6/19/2020	9/1/2030	1,000	992	5.100	(8)	Semi-annually	
Series R	8/3/2020	9/1/2025	925	906	4.750		Quarterly	
Total			$ 8,141	$ 8,048				

(1) Converted security from previously issued SunTrust preferred stock.
(2) Dividend rate is the greater of 4.00% or 3-month LIBOR plus 0.530%.
(3) Dividend rate is the greater of 4.00% or 3-month LIBOR plus 0.645%.
(4) Fixed dividend rate will reset on June 15, 2022, then dividend rate will be 3-month LIBOR plus 3.102%.
(5) Fixed dividend rate will reset on December 15, 2027, then dividend rate will be 3-month LIBOR plus 2.786%.
(6) Fixed dividend rate will reset on September 1, 2024, and on each following fifth anniversary of the reset date to the five-year U.S. Treasury rate plus 3.003%.
(7) Fixed dividend rate will reset on December 1, 2025, and on each following fifth anniversary of the reset date to the five-year U.S. Treasury rate plus 4.605%.
(8) Fixed dividend rate will reset on September 1, 2030, and on each following tenth anniversary of the reset date to the ten-year U.S. Treasury rate plus 4.349%.
(9) Dividend payments become quarterly beginning on September 15, 2022.
(10) Dividend payments become quarterly after dividend rate reset.

Issuances

During 2020, Truist issued a total of $3.5 billion in series O, series P, series Q and series R preferred stock to further strengthen its capital position. During 2019, the Company issued $1.7 billion of series N non-cumulative perpetual preferred stock.

Upon closing of the Merger, each outstanding share of SunTrust perpetual preferred stock was converted into the right to receive one share of an applicable newly issued series of Truist preferred stock having substantially the same terms as such share of SunTrust preferred stock. The Company issued series I, J, K, L and M non-cumulative perpetual preferred stock with a total par and fair value of $2.0 billion on the Merger closing date. Refer to the table below for additional details regarding the preferred shares and dividends and "Note 2. Business Combinations" for additional information related to the Merger.

Redemptions

During 2020, the Company redeemed all 5,000 outstanding shares of its perpetual preferred stock series K and the corresponding depositary shares representing fractional interests in such series for $500 million plus any unpaid dividends. The preferred stock redemption was in accordance with the terms of the Company's Articles of Amendment to its Articles of Incorporation, effective as of December 6, 2019.

During 2019, the Company redeemed all 23,000 outstanding shares of series D and 46,000 outstanding shares of series E non-cumulative perpetual preferred stock and the corresponding depositary shares representing fractional interests in each such series for $1.7 billion. Regular dividends on the redeemed shares were paid during the third quarter of 2019. In connection with the redemptions, net income available to common shareholders was reduced by $46 million to recognize the difference in the redemption price and the carrying value.

Subsequent Event

Early in 2021, the Company announced the forthcoming redemption of all 18,000 outstanding shares of its perpetual preferred stock series F and the corresponding depositary shares representing fractional interests in such series for $450 million and all 20,000 outstanding shares of its perpetual preferred stock series G and the corresponding depositary shares representing fractional interests in such series for $500 million.

NOTE 13. 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 and AFS securities.

(Dollars in millions)	Pension and OPEB Costs	Cash Flow Hedges	AFS Securities	Other, net	Total
AOCI balance, January 1, 2018	$ (1,004)	$ (92)	$ (356)	$ (15)	$ (1,467)
OCI before reclassifications, net of tax	(217)	52	(159)	(6)	(330)
Amounts reclassified from AOCI:					
Before tax	75	12	20	1	108
Tax effect	18	3	5	—	26
Amounts reclassified, net of tax	57	9	15	1	82
Total OCI, net of tax	(160)	61	(144)	(5)	(248)
AOCI balance, December 31, 2018	(1,164)	(31)	(500)	(20)	(1,715)
OCI before reclassifications, net of tax	(42)	(89)	790	18	677
Amounts reclassified from AOCI:					
Before tax	111	25	119	1	256
Tax effect	27	6	29	—	62
Amounts reclassified, net of tax	84	19	90	1	194
Total OCI, net of tax	42	(70)	880	19	871
AOCI balance, December 31, 2019	(1,122)	(101)	380	(1)	(844)
OCI before reclassifications, net of tax	190	1	1,298	2	1,491
Amounts reclassified from AOCI:					
Before tax	75	48	(32)	—	91
Tax effect	18	12	(8)	—	22
Amounts reclassified, net of tax	57	36	(24)	—	69
Total OCI, net of tax	247	37	1,274	2	1,560
AOCI balance, December 31, 2020	$ (875)	$ (64)	$ 1,654	$ 1	$ 716
Primary income statement location of amounts reclassified from AOCI	Other expense	Net interest income	Securities gains (losses) and Net interest income	Net interest income	

NOTE 14. Income Taxes

The components of the income tax provision are as follows:

Year Ended December 31, (Dollars in millions)	2020	2019	2018
Current expense:			
Federal	$ 979	$ 357	$ 629
State	155	97	151
Total current expense	1,134	454	780
Deferred expense:			
Federal	(131)	290	26
State	(22)	38	(3)
Total deferred expense	(153)	328	23
Provision for income taxes	$ 981	$ 782	$ 803

A reconciliation of the provision for income taxes at the statutory federal income tax rate to the Company's actual provision for income taxes and actual effective tax rate is presented in the following table:

	2020		2019		2018	
Year Ended December 31, (Dollars in millions)	Amount	% of Income Before Taxes	Amount	% of Income Before Taxes	Amount	% of Income Before Taxes
Federal income taxes at statutory rate	$ 1,149	21.0 %	$ 844	21.0 %	$ 853	21.0 %
Increase (decrease) in provision for income taxes as a result of:						
State income taxes, net of federal tax benefit	105	1.9	107	2.7	117	2.9
Income tax credits, net of amortization	(178)	(3.3)	(86)	(2.1)	(57)	(1.4)
Tax-exempt interest	(99)	(1.8)	(69)	(1.8)	(90)	(2.2)
Federal tax reform impact	—	—	—	—	(27)	(0.7)
Other, net	4	0.1	(14)	(0.3)	7	0.2
Provision for income taxes	$ 981	17.9	$ 782	19.5	$ 803	19.8

Deferred income tax assets and liabilities result from differences between the timing of the recognition of assets and liabilities for financial reporting purposes and for income tax purposes. DTAs and DTLs are measured using the enacted federal and state tax rates in the periods in which the DTAs or DTLs are expected to be realized. The net deferred income tax liability is recorded in Other liabilities in the Consolidated Balance Sheets. Significant DTAs and DTLs, net of the federal impact for state taxes, are presented in the following table.

December 31, (Dollars in millions)	2020	2019
DTAs:		
ALLL	$ 1,376	$ 366
Employee compensation and benefits	698	721
Loans	369	753
Operating lease liability	469	225
Accruals and reserves	305	322
Federal and state NOLs and other carryforwards	149	156
Net unrealized losses in AOCI	—	257
Other	57	77
Total gross DTAs	3,423	2,877
Valuation allowance	(123)	(130)
Total DTAs net of valuation allowance	3,300	2,747
DTLs:		
Pension	1,299	1,167
Goodwill and other intangible assets	688	694
Equipment and auto leasing	599	932
MSRs	459	491
ROU assets	327	146
Net unrealized gains in AOCI	222	—
Premises and equipment	147	162
Partnerships	84	23
Other	48	144
Total DTLs	3,873	3,759
Net DTL	$ (573)	$ (1,012)

The DTAs include Federal and state NOLs and other state carryforwards that will expire, if not utilized, in varying amounts from 2021 to 2040. The Company had a valuation allowance recorded against its state carryforwards and certain state DTAs of $123 million and $130 million at December 31, 2020 and 2019, respectively.

The following table provides a rollforward of the Company's gross federal and state UTBs, excluding interest and penalties:

December 31, (Dollars in millions)	2020	2019
Balance, January 1	$ 127	$ 2
Increases in UTBs related to prior years	4	120
Decreases in UTBs related to prior years	(1)	—
Increases in UTBs related to the current year	18	6
Decreases in UTBs related to settlements	(13)	(1)
Decreases in UTBs related to lapse of the applicable statues of limitations	(2)	—
Balance, December 31	$ 133	$ 127

The amount of UTBs that would favorably affect the Company's effective tax rate, if recognized, was $100 million and $99 million at December 31, 2020 and 2019, respectively. Interest and penalties related to UTBs are recorded in the Provision for income taxes in the Consolidated Statement of Income. The Company had a gross liability of $12 million and $11 million for interest and penalties related to its UTBs at December 31, 2020 and 2019, respectively. The amount of gross expense related interest and penalties on UTBs was immaterial.

The Company files U.S. federal, state and local income tax returns. The Company's federal income tax returns are no longer subject to examination by the IRS for taxable years prior to 2017. With limited exceptions, the Company is no longer subject to examination by state and local taxing authorities for taxable years prior to 2013. It is reasonably possible that the liability for unrecognized tax benefits could decrease by as much as $15 million during the next 12 months due to completion of tax authority examinations and the expiration of statutes of limitations. It is uncertain how much, if any, of this potential decrease will impact the Company’s effective tax rate.

NOTE 15. Benefit Plans

Defined Benefit Retirement Plans

Truist provides defined benefit retirement plans qualified under the IRC that cover most teammates. Benefits are based on years of service, age at retirement and the employee's compensation during the five highest consecutive years of earnings within the last ten years of employment.

In addition, supplemental retirement benefits are provided to certain key officers under supplemental defined benefit executive retirement plans, which are not qualified under the IRC. Although technically unfunded plans, Rabbi Trusts and insurance policies on the lives of certain of the covered employees are available to finance future benefits.

The Company's defined benefit plans obtained through the Merger were combined during 2020.

The following tables present a summary of the qualified and nonqualified defined benefit pension plans. On the Consolidated Balance Sheets, the qualified pension plan net asset is recorded as a component of Other assets and the nonqualified pension plans net liability is recorded as a component of Other liabilities. The data is calculated using an actuarial measurement date of December 31.

Year Ended December 31, (Dollars in millions)	Location	2020	2019	2018
Net periodic pension cost:				
Service cost	Personnel expense	$ 518	$ 214	$ 238
Interest cost	Other expense	313	233	201
Estimated return on plan assets	Other expense	(866)	(480)	(448)
Net amortization and other	Other expense	76	111	81
Net periodic benefit cost		41	78	72
Pre-tax amounts recognized in OCI:				
Net actuarial loss (gain)		(244)	34	289
Net amortization		(77)	(110)	(81)
Net amount recognized in OCI		(321)	(76)	208
Total net periodic pension costs (income) recognized in total comprehensive income, pre-tax		$ (280)	$ 2	$ 280
Weighted average assumptions used to determine net periodic pension cost:				
Discount rate		3.45 %	4.43 %	3.79 %
Expected long-term rate of return on plan assets		6.90	7.00	7.00
Assumed long-term rate of annual compensation increases		4.50	4.50	4.50
Weighted average assumptions used to determine net periodic pension cost for SunTrust plans prior to being combined:				
Discount rate		NA	3.22 %	NA
Expected long-term rate of return on plan assets		NA	6.90	NA

The weighted average expected long-term rate of return on plan assets represents the average rate of return expected to be earned on plan assets over the period the benefits included in the benefit obligation are to be paid. In developing the expected rate of return, Truist considers long-term compound annualized returns of historical market data for each asset category, as well as historical actual returns on the plan assets. Using this reference information, the Company develops forward-looking return expectations for each asset category and a weighted average expected long-term rate of return for the plan based on target asset allocations contained in the Company's Investment Policy Statement. For 2021, the expected rate of return on plan assets is 6.7%.

Activity in the projected benefit obligation is presented in the following table:

Year Ended December 31, (Dollars in millions)	Qualified Plan		Nonqualified Plans	
	2020	2019	2020	2019
Projected benefit obligation, January 1	$ 8,819	$ 4,697	$ 557	$ 386
Service cost	479	199	39	15
Interest cost	294	216	19	17
Actuarial loss	985	1,042	68	79
Benefits paid	(300)	(135)	(22)	(13)
Projected benefit obligation from Merger	—	2,800	—	72
Special termination benefits	—	—	—	1
Projected benefit obligation, December 31	$ 10,277	$ 8,819	$ 661	$ 557
Accumulated benefit obligation, December 31	$ 9,044	$ 7,859	$ 503	$ 432
Weighted average assumptions used to determine projected benefit obligations:				
Weighted average assumed discount rate	2.94 %	3.45 %	2.94 %	3.45 %
Assumed rate of annual compensation increases (1)	3.50	4.50	3.50	4.50
Weighted average assumptions used to determine projected benefit obligations for SunTrust plans prior to being combined:				
Weighted average assumed discount rate	NA	3.22 %	NA	3.22 %

(1) The assumed rate for qualified and nonqualified plans is 3.50% in 2021 and increases to 4.50% thereafter.

Activity in plan assets is presented in the following table:

Year Ended December 31, (Dollars in millions)	Qualified Plan		Nonqualified Plans	
	2020	2019	2020	2019
Fair value of plan assets, January 1	$ 12,398	$ 5,968	$ —	$ —
Actual return on plan assets	2,164	1,566	—	—
Employer contributions	373	1,696	22	13
Benefits paid	(300)	(135)	(22)	(13)
Fair value of plan assets from Merger	—	3,303	—	—
Fair value of plan assets, December 31	$ 14,635	$ 12,398	$ —	$ —
Funded status, December 31	$ 4,358	$ 3,579	$ (661)	$ (557)

The following are the pre-tax amounts recognized in AOCI:

Year Ended December 31, (Dollars in millions)	Qualified Plan		Nonqualified Plans	
	2020	2019	2020	2019
Prior service credit (cost)	$ (90)	$ (114)	$ 77	$ 96
Net actuarial loss	(858)	(1,218)	(263)	(217)
Net amount recognized	$ (948)	$ (1,332)	$ (186)	$ (121)

The following table presents the amount expected to be amortized from AOCI into net periodic pension cost during 2021:

(Dollars in millions)	Qualified Plan	Nonqualified Plans
Net actuarial loss	$ —	$ (28)
Prior service credit (cost)	(25)	19
Net amount expected to be amortized	$ (25)	$ (9)

Truist makes contributions to the qualified pension plan in amounts between the minimum required for funding and the maximum amount deductible for federal income tax purposes. Truist made discretionary contributions of $387 million during the first quarter of 2021. Management may make additional contributions in 2021. For the nonqualified plans, the employer contributions are based on benefit payments.

The following table reflects the estimated benefit payments for the periods presented:

(Dollars in millions)	Qualified Plan	Nonqualified Plans
2021	$ 305	$ 22
2022	324	23
2023	342	31
2024	360	26
2025	381	27
2026-2030	2,205	160

The Company's primary total return objective is to achieve returns that, over the long term, will fund retirement liabilities and provide for the desired plan benefits in a manner that satisfies the fiduciary requirements of the ERISA. The plan assets have a long-term time horizon that runs concurrent with the average life expectancy of the participants. As such, the Plan can assume a time horizon that extends well beyond a full market cycle, and can assume an above-average level of risk, as measured by the standard deviation of annual return. The investments are broadly diversified among economic sector, industry, quality and size in order to reduce risk and to produce incremental return. Within approved guidelines and restrictions, investment managers have wide discretion over the timing and selection of individual investments.

Truist periodically reviews its asset allocation and investment policy and makes changes to its target asset allocation. Truist has established guidelines within each asset category to ensure the appropriate balance of risk and reward. The following table presents the fair values of the qualified pension plan assets by asset category:

December 31,	Target Allocation		2020			2019		
(Dollars in millions)	Min	Max	Total	Level 1	Level 2	Total	Level 1	Level 2
Cash and cash-equivalents			$ 290	$ 290	$ —	$ 295	$ 295	$ —
U.S. equity securities (1)	30 %	50 %	6,587	3,531	3,056	5,336	3,629	1,707
International equity securities	11	18	1,614	360	1,254	1,752	328	1,424
Fixed income securities	35	53	5,368	11	5,357	4,629	11	4,618
Total			$ 13,859	$ 4,192	$ 9,667	$ 12,012	$ 4,263	$ 7,749

(1) The plan may hold up to 10% of its assets in Truist common stock.

International equity securities include a common/commingled fund that consists of assets from several accounts, pooled together, to reduce management and administration costs. At December 31, 2020 and 2019, investments totaling $773 million and $341 million, respectively, have been excluded from the table above as valued based on net asset value as a practical expedient.

Defined Contribution Plans

Truist offers a 401(k) Savings Plan and other defined contribution plans that permit teammates to contribute up to 50% of cash compensation. For full-time teammates who are 21 years of age or older with one year or more of service, Truist makes matching contributions of up to 6% of the employee's compensation. The Company's contribution expense for the 401(k) Savings Plan and nonqualified defined contribution plans totaled $272 million, $152 million and $141 million for the years ended December 31, 2020, 2019 and 2018, respectively. Certain teammates of subsidiaries participate in the 401(k) Savings Plan with different matching formulas. The Company's defined contribution plan obtained through the Merger was combined during 2020.

Equity-Based Compensation Plans

At December 31, 2020, RSAs, RSUs and PSUs were outstanding from equity-based compensation plans that have been approved by shareholders and plans assumed from acquired entities. Those plans are intended to assist the Company in recruiting and retaining teammates, directors and independent contractors and to align the interests of eligible participants with those of Truist and its shareholders.

The majority of outstanding awards and awards available to be issued relate to plans that allow for accelerated vesting of awards for holders who retire and have met all retirement eligibility requirements or in connection with certain other events. Until vested, certain of these awards are subject to forfeiture under specified circumstances. The fair value of RSUs and PSUs is based on the common stock price on the grant date less the present value of expected dividends that will be foregone during the vesting period. Substantially all awards are granted in February of each year. Grants to non-executive teammates primarily consist of RSUs.

The following table provides a summary of the equity-based compensation plans:

December 31, 2020	
Shares available for future grants (in thousands)	19,815
Vesting period, minimum	1.0 year
Vesting period, maximum	5.0 years

The following table presents a summary of selected data related to equity-based compensation costs:

As of / For the Year Ended December 31, (Dollars in millions)	2020	2019	2018
Equity-based compensation expense	$ 353	$ 165	$ 141
Income tax benefit from equity-based compensation expense	84	38	34
Intrinsic value of options exercised, and RSUs and PSUs that vested during the year	412	216	260
Grant date fair value of equity-based awards that vested during the year	420	134	139
Unrecognized compensation cost related to equity-based awards	234	274	135
Weighted-average life over which compensation cost is expected to be recognized	2.3 years	2.3 years	2.4 years

The following table presents the activity related to awards of RSUs, PSUs and restricted shares:

(Shares in thousands)	Units/Shares	Wtd. Avg. Grant Date Fair Value
Nonvested at January 1, 2020	20,061	$ 46.25
Granted	7,692	47.33
Vested	(8,883)	47.24
Forfeited	(782)	51.22
Nonvested at December 31, 2020	18,088	47.93

Other Benefits

There are various other employment contracts, deferred compensation arrangements and non-compete covenants with selected members of management and certain retirees. These plans and their obligations are not material to the financial statements.

NOTE 16. Commitments and Contingencies

Truist utilizes a variety of financial instruments to meet the financing needs of clients and to mitigate exposure to risks. These financial instruments include commitments to extend credit, letters of credit and financial guarantees and derivatives. 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 in certain affordable housing projects throughout its market area as a means of supporting local communities. Truist receives tax credits related to these investments, for which the Company typically acts as a limited partner and therefore does not exert control over the operating or financial policies of the partnerships. Truist typically provides financing during the construction and development of the properties; however, permanent financing is generally obtained from independent third parties upon completion of a project. Tax credits are subject to recapture by taxing authorities based on compliance features required to be met at the project level. Truist's maximum potential exposure to losses relative to investments in VIEs is generally limited to the sum of the outstanding balance, future funding commitments and any related loans to the entity, exclusive of any potential tax recapture associated with the investments. Loans to these entities are underwritten in substantially the same manner as the Company's other loans and are generally secured.

Additionally, the Company invests in other community development entities as a limited partner and/or a lender. The Company receives tax credits for its limited partner investments. The Company has determined that the majority of the related partnerships are VIEs. The Company has concluded that it is not the primary beneficiary of these investments. Truist uses the equity method of accounting for these investments.

The Company also invests in entities that promote renewable energy sources as a limited partner. Tax credits received for these investments are recorded as a reduction to the carrying value of these investments. The Company has determined that these renewable energy tax credit partnerships are VIEs. The Company has concluded that it is not the primary beneficiary of these VIEs because it does not have the power to direct the activities that most significantly impact the VIEs' financial performance and therefore, it is not required to consolidate these VIEs. The Company’s maximum exposure to loss related to these investments is limited to its equity investments in these partnerships and any additional unfunded equity commitments.

Truist has investments in and future funding commitments related to private equity and certain other equity method investments. The risk exposure relating to such commitments is generally limited to the amount of investments and future funding commitments made.

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

December 31, (Dollars in millions)	Balance Sheet Location	2020	2019
Investments in affordable housing projects:			
Carrying amount	Other assets	$ 3,823	$ 3,684
Amount of future funding commitments included in carrying amount	Other liabilities	1,057	1,271
Lending exposure	NA	546	647
Renewable energy investments:			
Carrying amount	Other assets	167	81
Amount of future funding commitments not included in carrying amount	NA	76	246
Private equity and certain other equity method investments:			
Carrying amount	Other assets	1,574	1,556
Amount of future funding commitments not included in carrying amount	NA	471	331

The following table presents a summary of tax credits and amortization associated with the Company's tax credit investment activity:

Year Ended December 31, (Dollars in millions)	Income Statement Location	2020	2019	2018
Tax credits:				
Investments in affordable housing projects	Provision for income taxes	$ 454	$ 284	$ 262
Other community development investments	Provision for income taxes	96	39	—
Renewable energy investments	NA	159	—	—
Amortization and other changes in carrying amount:				
Investments in affordable housing projects	Provision for income taxes	$ 455	$ 279	$ 260
Other community development investments	Other noninterest income	81	28	—
Renewable energy investments	Other noninterest income	4	4	—

Letters of Credit and Financial Guarantees

Commitments to extend, originate or purchase credit are primarily lines of credit to businesses and consumers and have specified rates and maturity dates. Many of these commitments also have adverse change clauses, which allow Truist to cancel the commitment due to deterioration in the borrowers' creditworthiness. The fair values of commitments are estimated using the fees charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. The fair values of guarantees and letters of credit are estimated based on the counterparties' creditworthiness and average default rates for loan products with similar risks. Consumer lending and revolving credit commitments have an immaterial fair value as Truist typically has the unconditional ability to cancel such commitments. Refer to "Note 18. Fair Value Disclosures" for additional disclosures on the RUFC.

Truist has sold certain mortgage-related loans that contain recourse provisions. These provisions generally require Truist to reimburse the investor for a share of any loss that is incurred after the disposal of the property. Truist also issues standard representations and warranties related to mortgage loan sales to GSEs. Refer to "Note 8. Loan Servicing" for additional disclosures related to these exposures.

Letters of credit and financial guarantees are unconditional commitments issued by Truist to guarantee the performance of a client to a third party. These guarantees are primarily issued to support borrowing arrangements, including commercial paper issuance, bond financing and similar transactions. The credit risk involved in the issuance of these guarantees is essentially the same as that involved in extending loans to clients and, as such, the instruments are collateralized when necessary.

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

December 31, (Dollars in millions)	2020	2019
Commitments to extend, originate or purchase credit	$ 186,731	$ 177,598
Residential mortgage loans sold with recourse	328	371
CRE mortgages serviced for others covered by recourse provisions	9,019	8,676
Letters of credit	5,066	5,181

Derivatives

Truist enters into derivative contracts to manage various financial risks. A derivative is a financial instrument that derives its cash flows, and therefore its value, by reference to an underlying instrument, index or referenced interest rate. Derivative contracts are carried at fair value on the Consolidated Balance Sheets with the fair value representing the net present value of expected future cash receipts or payments based on market interest rates. For additional information on derivative instruments, see "Note 19. Derivative Financial Instruments."

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. 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 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, that could potentially be significant. At December 31, 2020, the Company’s Consolidated Balance Sheet reflected $1.3 billion of assets and $41 million of other liabilities of the VIEs. At December 31, 2019, the Company’s Consolidated Balance Sheet reflected $2.7 billion of assets and $116 million of other liabilities of the VIEs. Assets at December 31, 2020 and December 31, 2019 include $1.3 billion and $2.6 billion in trading loans, respectively. 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 19. Derivative Financial Instruments."

Other Commitments

Truist holds public funds in certain states that do not require 100% collateralization on public fund bank deposits. In these states, should the failure of another public fund depository institution result in a loss for the public entity, the resulting uncollateralized deposit shortfall would have to be absorbed on a pro-rata basis (based upon the public deposits held by each bank within the respective state) by the remaining financial institutions holding public funds in that state. Truist monitors deposits levels relative to the total public deposits held by all depository institutions within these states. The likelihood that the Company would have to perform under this guarantee is dependent on whether any financial institutions holding public funds default, as well as the adequacy of collateral coverage.

In the ordinary course of business, Truist indemnifies its officers and directors to the fullest extent permitted by law against liabilities arising from pending litigation. Truist also issues standard representations and warranties in underwriting agreements, merger and acquisition agreements, loan sales, brokerage activities and other similar arrangements. Counterparties in many of these indemnification arrangements provide similar indemnifications to Truist. Although these agreements often do not specify limitations, Truist does not believe that any payments related to these guarantees would materially change the financial position or results of operations of Truist.

As a member of the FHLB, Truist is required to maintain a minimum investment in capital stock. The board of directors of the FHLB can increase the minimum investment requirements in the event it has concluded that additional capital is required to allow it to meet its own regulatory capital requirements. Any increase in the minimum investment requirements outside of specified ranges requires the approval of the Federal Housing Finance Agency. Because the extent of any obligation to increase Truist's investment in the FHLB depends entirely upon the occurrence of a future event, potential future investments in the FLHB stock are not determinable.

The Company utilizes the Fixed Income Clearing Corporation for trade comparisons, netting and settlement of fixed income securities. As a Government Securities Division netting member, the Company has a commitment to the Fixed Income Clearing Corporation to meet its financial obligations as a central counterparty clearing house in the event the Fixed Income Clearing Corporation has insufficient liquidity recourses through a potential committed liquidity resource repurchase transaction. Any commitment would be based on the Company’s share of its liquidity burden on the Fixed Income Clearing Corporation. Truist does not believe that any payments related to these guarantees would materially change the financial position or results of operations of Truist.

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 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 obtains secured financing and letters of credit from the FRB and 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 employee benefit plans, the majority of the agreements governing the pledged assets do not permit the other party to sell or repledge the collateral. Additional assets were pledged to the FRB of Richmond in the first quarter of 2020 following the Merger. The following table provides the total carrying amount of pledged assets by asset type.

December 31, (Dollars in millions)	2020	2019
Pledged securities	$ 24,974	$ 11,283
Pledged loans:		
FRB	75,615	30,238
FHLB	69,994	80,816
Unused borrowing capacity:		
FRB	52,831	21,169
FHLB	52,274	37,303

Litigation and Regulatory Matters

Truist and/or its subsidiaries are routinely parties to numerous legal proceedings, including private, civil litigation and regulatory investigations, 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 multiple class members and can involve claims for substantial amounts. Investigations involve both formal and informal proceedings, by both governmental agencies and self-regulatory organizations. 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 and statutory antitrust, securities and consumer protection claims, and the ultimate resolution of any proceeding is uncertain and inherently difficult to predict. It is possible that the ultimate resolution of these matters, if unfavorable, may be material to the consolidated financial position, consolidated results of operations, or consolidated cash flows of Truist.

In accordance with the provisions of U.S. GAAP for contingencies, 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 matter are based on management's best judgment after consultation with counsel and others, as warranted.

The Company's estimate of reasonably possible losses, in excess of amounts accrued, ranges from zero to approximately $200 million as of December 31, 2020. This estimated range is based upon currently available information and involves 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. In addition, the matters underlying this estimated range will change from time to time, and actual losses may vary significantly from this estimate. As a result, the Company does not believe that an estimate of reasonably possible losses can be made for certain matters. Such matters are not reflected in the range provided here.

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. 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. On April 8, 2020, the Company filed a motion seeking to narrow the scope of this class and on May 29, 2020, it filed a renewed motion to compel arbitration of the claims of some of the class members. On February 9, 2021, the trial court denied both motions as premature but held that the issues could be raised again after the conclusion of discovery, which is currently underway. The Company believes that the claims are without merit.

NOTE 17. Regulatory Requirements and Other Restrictions

Truist Bank is subject to laws and regulations that limit the amount of dividends it can pay. In addition, both Truist and Truist Bank are subject to various regulatory restrictions relating to the payment of dividends, including requirements to maintain capital at or above regulatory minimums, and to remain "well-capitalized" under the prompt corrective action regulations.

Truist is subject to various regulatory capital requirements administered by the Federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a material effect on the financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of assets, liabilities and certain off-balance-sheet items calculated pursuant to regulatory directives. Truist's capital amounts and classification also are subject to qualitative judgments by the regulators about components, risk weightings and other factors. Truist is in full compliance with these requirements. Banking regulations also identify five capital categories for IDIs: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized. At December 31, 2020 and 2019, Truist and Truist Bank were classified as "well-capitalized," and management believes that no events or changes have occurred subsequent to year end that would change this designation.

Quantitative measures established by regulation to ensure capital adequacy require Truist to maintain minimum ratios of CET1 ratio of 4.5%, Tier 1 capital ratio of 6.0%, Total capital to risk-weighted assets ratio of 8.0%, Tier 1 capital to average tangible assets (leverage ratio) of 4.0% and supplementary leverage ratio of 3.0%. Truist is subject to a 2.7% SCB that became applicable on October 1, 2020. Truist Bank is subject to a 2.5% capital conservation buffer. The SCB and capital conservation buffer are amounts above the minimum levels designed to ensure that banks remain well-capitalized, even in adverse economic scenarios.

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

December 31, (Dollars in millions)	2020		2019	
	Ratio	Amount	Ratio	Amount
Truist Financial Corporation				
CET1	10.0 %	$ 37,869	9.5 %	$ 35,643
Tier 1 capital	12.1	45,915	10.8	40,743
Total capital	14.5	55,011	12.6	47,511
Leverage (1)	9.6	45,915	14.7	40,743
Supplementary leverage (2)	8.7	45,915	NA	NA
Truist Bank				
CET1	11.0	40,642	10.6	38,739
Tier 1 capital	11.0	40,642	10.6	38,739
Total capital	13.0	47,882	12.0	43,984
Leverage (1)	8.7	40,642	14.5	38,739
Supplementary leverage (2)	7.5	40,642	NA	NA

(1) The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the Merger impacted the 4Q19 result.
(2) Truist became subject to the supplementary leverage ratio as of January 1, 2020.

As an approved seller/servicer, Truist Bank is required to maintain minimum levels of capital, as specified by various agencies, including the U.S. Department of Housing and Urban Development, GNMA, FHLMC and FNMA. At December 31, 2020 and 2019, Truist Bank's capital was above all required levels.

NOTE 18. 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:

December 31, 2020 (Dollars in millions)	Total	Level 1	Level 2	Level 3	Netting Adjustments (1)
Assets:					
Trading assets:					
U.S. Treasury	$ 793	$ —	$ 793	$ —	$ —
GSE	164	—	164	—	—
Agency MBS - residential	599	—	599	—	—
Agency MBS - commercial	21	—	21	—	—
States and political subdivisions	34	—	34	—	—
Corporate and other debt securities	545	—	545	—	—
Loans	1,586	—	1,586	—	—
Other	130	123	7	—	—
Total trading assets	3,872	123	3,749	—	—
AFS securities:					
U.S. Treasury	1,746	—	1,746	—	—
GSE	1,917	—	1,917	—	—
Agency MBS - residential	113,541	—	113,541	—	—
Agency MBS - commercial	3,057	—	3,057	—	—
States and political subdivisions	493	—	493	—	—
Other	34	—	34	—	—
Total AFS securities	120,788	—	120,788	—	—
LHFS at fair value	4,955	—	4,955	—	—
MSRs at fair value	2,023	—	—	2,023	—
Other assets:					
Derivative assets	3,837	752	4,903	186	(2,004)
Equity securities	1,054	996	58	—	—
Total assets	$ 136,529	$ 1,871	$ 134,453	$ 2,209	$ (2,004)
Liabilities:					
Derivative liabilities	$ 555	$ 386	$ 3,263	$ 14	$ (3,108)
Securities sold short	1,115	3	1,112	—	—
Total liabilities	$ 1,670	$ 389	$ 4,375	$ 14	$ (3,108)

December 31, 2019 (Dollars in millions)	Total	Level 1	Level 2	Level 3	Netting Adjustments (1)
Assets:					
Trading assets:					
U.S. Treasury	$ 227	$ —	$ 227	$ —	$ —
GSE	296	—	296	—	—
Agency MBS - residential	497	—	497	—	—
Agency MBS - commercial	68	—	68	—	—
States and political subdivisions	82	—	82	—	—
Non-agency MBS	277	—	277	—	—
Corporate and other debt securities	1,204	—	1,204	—	—
Loans	2,948	—	2,948	—	—
Other	134	90	44	—	—
Total trading assets	5,733	90	5,643	—	—
AFS securities:					
U.S. Treasury	2,276	—	2,276	—	—
GSE	1,881	—	1,881	—	—
Agency MBS - residential	68,236	—	68,236	—	—
Agency MBS - commercial	1,341	—	1,341	—	—
States and political subdivisions	585	—	585	—	—
Non-agency MBS	368	—	—	368	—
Other	40	—	40	—	—
Total AFS securities	74,727	—	74,359	368	—
LHFS	5,673	—	5,673	—	—
MSRs	2,618	—	—	2,618	—
Other assets:					
Derivative assets	2,053	606	3,620	34	(2,207)
Equity securities	817	815	2	—	—
Private equity investments	440	—	—	440	—
Total assets	$ 92,061	$ 1,511	$ 89,297	$ 3,460	$ (2,207)
Liabilities:					
Derivative liabilities	$ 366	$ 204	$ 3,117	$ 15	$ (2,970)
Securities sold short	1,074	18	1,056	—	—
Total liabilities	$ 1,440	$ 222	$ 4,173	$ 15	$ (2,970)

(1) Refer to "Note 19. Derivative Financial Instruments" for additional discussion on netting adjustments.

At December 31, 2020, investments totaling $314 million have been excluded from the table above as valued based on net asset value as a practical expedient.

The following discussion focuses 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.

Available for Sale and Trading Securities: Securities accounted for at fair value include both the available-for-sale and trading portfolios. The Company uses prices obtained from pricing services, dealer quotes or recent trades to estimate the fair value of securities. The majority of AFS securities were priced by third party vendors whereas trading securities are priced internally. The AFS securities and trading securities are subject to IPV. Management independently evaluates the fair values of AFS Securities and trading securities through comparisons to external pricing sources, review of additional information provided by the pricing service and other third party sources for selected securities and back-testing to compare the price realized on any security sales to the pricing information received from the pricing service. Fair value measurements for trading securities are derived from observable market-based information including, but not limited to, overall market conditions, recent trades, comparable securities, broker quotes and FINRA's Trade Reporting and Compliance Engine data when determining the value of a position. Security prices are also validated through actual cash settlement upon the sale of a security.

As described by security type below, additional inputs may be used, or some inputs may not be applicable.

Trading loans: The Company has elected to measure trading loans at fair value. Trading loans are valued primarily using quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active by a third party pricing service. Trading loans include:

- loans held in connection with the Company's trading business primarily consisting of commercial and corporate leveraged loans;
- SBA loans guaranteed by the U.S. government; and
- loans made or acquired in connection with the Company’s TRS business.

U.S. Treasury securities: Treasury securities are valued using quoted prices in active over-the-counter markets.

GSE securities and agency MBS: GSE securities consist of debt obligations issued by HUD, the FHLB, and other agencies, as well as securities collateralized by loans that are guaranteed by the SBA, and thus, are backed by the full faith and credit of the U.S. government. Agency MBS includes pass-through securities and CMO issued by GSEs and U.S. government agencies, such as FNMA, FHLMC, and GNMA. Each security contains a guarantee by the issuing GSE or agency. GSE pass-through securities are valued using market-based pricing matrices that reference observable inputs including benchmark TBA security pricing and yield curves that were estimated based on U.S. Treasury yields and certain floating rate indices. The pricing matrices for these securities may also give consideration to pool-specific data supplied directly by the GSE. GSE CMOs are valued using market-based pricing matrices that are based on observable inputs including offers, bids, reported trades, dealer quotes and market research reports, the characteristics of a specific tranche, market convention prepayment speeds and benchmark yield curves as described above.

States and political subdivisions: The Company’s investments in U.S. states and political subdivisions include obligations of county and municipal authorities and agency bonds, which are general obligations of the municipality or are supported by a specified revenue source. Holdings are geographically dispersed, with no significant concentrations in any one state or municipality. Additionally, all municipal obligations are highly rated or are otherwise collateralized by securities backed by the full faith and credit of the federal government. These securities are valued using market-based pricing matrices that reference observable inputs including MSRB reported trades, issuer spreads, material event notices and benchmark yield curves.

Non-agency MBS: No non-agency MBS were held as of December 31, 2020. As of December 31, 2019, Non-agency MBS in the trading portfolio included purchased interests in third party securitizations that have a high investment grade rating, and the pricing matrices for these securities were based on observable inputs including offers, bids, reported trades, dealer quotes and market research reports, the characteristics of a specific tranche, market convention prepayment speeds and benchmark yield curves as described above; as such, these securities were classified as level 2. Non-agency MBS in the AFS securities portfolio included investments in Re-REMIC trusts that primarily hold U.S. Treasury securities and non-agency MBS, which were valued based on broker pricing models that use baseline securities yields and tranche-level yield adjustments to discount cash flows using market convention prepayment speed and default assumptions. These investments were classified as level 3.

Corporate and other debt securities: These securities consist primarily of corporate bonds and commercial paper. Corporate bonds are senior and subordinated debt obligations of domestic corporations. The Company acquires commercial paper that is generally short-term in nature and highly rated. These securities are valued based on a review of quoted market prices for similar assets as well as through the various other inputs discussed previously.

LHFS: Certain mortgage loans that are originated to be sold to investors are carried at fair value. The fair value is primarily based on quoted market prices for securities backed by similar types of loans, adjusted for servicing, interest rate risk, and credit risk. The changes in fair value of these assets are largely driven by changes in interest rates subsequent to loan funding and changes in the fair value of servicing associated with the mortgage LHFS.

MSRs: Residential MSRs are valued using an OAS valuation model to project cash flows over multiple interest rate scenarios and then are discounted at risk-adjusted rates. The model considers portfolio characteristics, contractually specified servicing fees, prepayment assumptions, delinquency rates, late charges, other ancillary revenue, costs to service and other economic factors. Fair value estimates and assumptions are compared to industry surveys, recent market activity, actual portfolio experience and, when available, other observable market data. Commercial MSRs are valued using a cash flow valuation model that calculates the present value of estimated future net servicing cash flows. The Company considers actual and expected loan prepayment rates, discount rates, servicing costs and other economic factors that are determined based on current market conditions. Refer to "Note 8. Loan Servicing" for additional discussion.

Derivative assets and liabilities: The Company holds derivative instruments for both trading and risk management purposes. These include exchange-traded futures or option contracts, OTC swaps, options, forwards and interest rate lock commitments. The fair values of derivatives are determined based on quoted market prices and internal pricing models that use market observable assumptions for interest rates, foreign exchange, equity and credit. The fair values of interest rate lock commitments, which are related to mortgage loan commitments and are categorized as Level 3, are based on quoted market prices adjusted for commitments that are not expected to fund and include the value attributable to the net servicing fees. Funding rates are based on the Company's historical data. The fair value attributable to servicing is based on discounted cash flows, and is impacted by prepayment assumptions, discount rates, delinquency rates, contractually-specified servicing fees, servicing costs and underlying portfolio characteristics.

Equity securities: Equity securities primarily consist of exchange-traded securities and are valued using quoted prices in active markets.

Private equity investments: In many cases there are no observable market values for these investments and therefore management must estimate the fair value based on a comparison of the operating performance of the investee to multiples in the marketplace for similar entities. This analysis requires significant judgment, and actual values in a sale could differ materially from those estimated.

Securities sold short: Securities sold short represent debt securities sold short that are entered into as a hedging strategy for the purposes of supporting institutional and retail client trading activities. The fair value of securities sold short is determined in the same manner as trading securities.

Activity for Level 3 assets and liabilities is summarized below:

(Dollars in millions)	Trading Assets	Non-agency MBS	MSRs	Net Derivatives	Private Equity Investments
Balance at January 1, 2018	$ —	$ 432	$ 1,056	$ 3	$ 404
Total realized and unrealized gains (losses):					
Included in earnings	—	9	71	11	66
Purchases	5	—	—	—	91
Issuances	—	—	152	24	—
Sales	(2)	—	—	—	(112)
Settlements	—	(50)	(171)	(26)	(56)
Balance at December 31, 2018	3	391	1,108	12	393
Total realized and unrealized gains (losses):					
Included in earnings	—	13	(105)	63	47
Included in unrealized net holding gains (losses) in OCI	—	4	—	—	—
Purchases	23	—	31	(1)	137
Issuances	—	—	170	63	—
Sales	(26)	—	(27)	—	(91)
Settlements	—	(40)	(164)	(118)	(46)
Transfers into Level 3	—	—	—	(10)	—
Merger additions	—	—	1,605	10	—
Balance at December 31, 2019	—	368	2,618	19	440
Total realized and unrealized gains (losses):					
Included in earnings	—	306	(550)	467	2
Included in unrealized net holding gains (losses) in OCI	—	(178)	—	—	—
Purchases	—	—	—	—	27
Issuances	—	—	711	780	—
Sales	—	(481)	—	—	—
Settlements	—	(15)	(756)	(1,094)	(21)
Transfers out of level 3 and other	—	—	—	—	(448)
Balance at December 31, 2020	$ —	$ —	$ 2,023	$ 172	$ —
Change in unrealized gains (losses) included in earnings for the period, attributable to assets and liabilities still held at December 31, 2020	$ —	$ —	$ (535)	$ 179	$ —
Primary income statement location of realized gains (losses) included in earnings	Net interest income	Gain on sale of securities	Residential mortgage income and Commercial real estate related income	Residential mortgage income and Commercial real estate related income	Other income

During 2020, Truist sold non-agency MBS previously categorized as Level 3 that represented ownership interests in various tranches of Re-REMIC trusts. The Re-REMIC tranches did not have an active market and therefore were categorized as Level 3.

During 2020, as a result of a change in control of the funds' manager, the Company deconsolidated certain SBIC funds for which it had previously concluded that it was the primary beneficiary. Following the deconsolidation, the investments in SBIC funds are valued based on net asset value per unit, as provided by the fund manager as a practical expedient, which approximates the fair value, and have not been classified in the fair value hierarchy. The SBIC funds in which the Company invests primarily focus on equity and subordinated debt investments in privately-held middle market companies. The majority of these VIE investments are not redeemable and distributions are received as the underlying assets of the funds liquidate. The timing of distributions, which are expected to occur on various dates over the next 10 years, is uncertain and dependent on various events such as recapitalizations, refinance transactions and ownership changes among others. As of December 31, 2020, restrictions on the ability to sell the investments include, but are not limited to, consent of a majority of members or general partner approval for transfer of ownership. These investments are spread over numerous privately-held middle market companies, and thus the sensitivity to a change in fair value for any single investment is limited.

Refer to "Note 8. Loan Servicing" for additional information on valuation techniques and inputs for MSRs.

Fair Value Option

The following table details the fair value and UPB of LHFS that were elected to be measured at fair value. Trading loans, included in other trading assets, were also elected to be measured at fair value.

December 31, (Dollars in millions)	2020			2019		
	Fair Value	UPB	Difference	Fair Value	UPB	Difference
Trading loans	$ 1,586	$ 1,619	$ (33)	$ 2,948	$ 2,982	$ (34)
LHFS at fair value	4,955	4,736	219	5,673	5,563	110

Nonrecurring Fair Value Measurements

The following table provides information about certain assets measured at fair value on a nonrecurring basis. The carrying values represent end of period values, which approximate the fair value measurements that occurred on the various measurement dates throughout the period. The valuation adjustments represent the amounts recorded during the period regardless of whether the asset is still held at period end. These assets are considered to be Level 3 assets (2019 excludes PCI).

As of / For The Year Ended December 31, (Dollars in millions)	2020		2019	
	Carrying Value	Valuation Adjustments	Carrying Value	Valuation Adjustments
LHFS	$ 979	$ (101)	$ 2,700	$ (17)
Loans and leases	142	(52)	95	(23)
Other	92	(175)	84	(253)

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 the lower of cost or market. LHFS as of December 31, 2020 includes the small ticket loan and lease portfolio. The table above excludes $125 million of LHFS carried at cost at December 31, 2020 that did not require a valuation adjustment during the period. The remainder of LHFS is carried at fair value. Excluding government guaranteed loans, the Company held $5 million in nonperforming LHFS at December 31, 2020 and $107 million of nonperforming LHFS at December 31, 2019. LHFS that were 90 days or more past due and still accruing interest were not material at December 31, 2020. Loans and leases are primarily collateral dependent and may be subject to liquidity adjustments. Refer to "Note 1. Basis of Presentation" 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 future sublease income. The remaining assets are measured at the lower of cost or fair value 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:

December 31, (Dollars in millions)	Fair Value Hierarchy	2020		2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:					
Loans and leases HFI, net of ALLL	Level 3	$ 293,899	$ 295,461	$ 298,293	$ 298,586
Financial liabilities:					
Time deposits	Level 2	21,941	22,095	35,896	35,885
Long-term debt	Level 2	39,597	40,864	41,339	42,051

The carrying value of the RUFC, which approximates the fair value of unfunded commitments, was $364 million and $373 million at December 31, 2020 and December 31, 2019, respectively. Prior to the adoption of CECL, the carrying value includes deferred fees.

NOTE 19. 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. Truist held no cash flow hedges as of December 31, 2020 and December 31, 2019.

December 31, (Dollars in millions)	2020			2019		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Gain	Loss		Gain	Loss
Fair value hedges:						
Interest rate contracts:						
Swaps hedging long-term debt	$ —	$ —	$ —	$ 23,701	$ 113	$ (25)
Options hedging long-term debt	—	—	—	3,407	—	(2)
Swaps hedging commercial loans	—	—	—	44	—	—
Swaps hedging AFS securities	17,765	—	—	—	—	—
Total	17,765	—	—	27,152	113	(27)
Not designated as hedges:						
Client-related and other risk management:						
Interest rate contracts:						
Swaps	156,338	3,399	(862)	144,473	1,817	(673)
Options	25,386	45	(18)	25,938	28	(19)
Forward commitments	4,847	9	(11)	7,907	6	(7)
Other	2,573	—	—	1,807	—	—
Equity contracts	31,152	1,856	(2,297)	38,426	1,988	(2,307)
Credit contracts:						
Loans and leases	1,056	—	(5)	894	—	(34)
Risk participation agreements	7,802	1	(13)	6,696	—	(2)
Total return swaps	1,296	13	(33)	2,531	27	(11)
Foreign exchange contracts	12,066	189	(219)	12,986	144	(164)
Commodity	2,872	130	(124)	2,659	67	(65)
Total	245,388	5,642	(3,582)	244,317	4,077	(3,282)
Mortgage banking:						
Interest rate contracts:						
Swaps	687	—	—	535	—	—
Interest rate lock commitments	8,609	186	(3)	4,427	34	(2)
When issued securities, forward rate agreements and forward commitments	11,691	6	(73)	11,997	10	(18)
Other	466	—	—	603	2	—
Total	21,453	192	(76)	17,562	46	(20)
MSRs:						
Interest rate contracts:						
Swaps	36,161	—	(5)	19,196	—	—
Options	101	—	—	1,519	22	(2)
When issued securities, forward rate agreements and forward commitments	1,314	7	—	5,560	2	(5)
Other	760	—	—	567	—	—
Total	38,336	7	(5)	26,842	24	(7)
Total derivatives not designated as hedges	305,177	5,841	(3,663)	288,721	4,147	(3,309)
Total derivatives	$ 322,942	5,841	(3,663)	$ 315,873	4,260	(3,336)
Gross amounts in the Consolidated Balance Sheets:						
Amounts subject to master netting arrangements		(1,561)	1,561		(1,708)	1,708
Cash collateral (received) posted for amounts subject to master netting arrangements		(443)	1,547		(499)	1,262
Net amount		$ 3,837	$ (555)		$ 2,053	$ (366)

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 sheet:

December 31, 2020 (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	$ 4,383	$ (1,618)	$ 2,765	$ (2)	$ 2,763
Derivatives not subject to master netting arrangement or similar arrangement	705	—	705	(1)	704
Exchange traded derivatives	753	(386)	367	—	367
Total derivative assets	$ 5,841	$ (2,004)	$ 3,837	$ (3)	$ 3,834
Derivative liabilities:					
Derivatives subject to master netting arrangement or similar arrangement	$ (3,103)	$ 2,722	$ (381)	$ 35	$ (346)
Derivatives not subject to master netting arrangement or similar arrangement	(174)	—	(174)	—	(174)
Exchange traded derivatives	(386)	386	—	—	—
Total derivative liabilities	$ (3,663)	$ 3,108	$ (555)	$ 35	$ (520)

December 31, 2019 (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	$ 3,516	$ (2,003)	$ 1,513	$ (17)	$ 1,496
Derivatives not subject to master netting arrangement or similar arrangement	138	—	138	(1)	137
Exchange traded derivatives	606	(204)	402	—	402
Total derivative assets	$ 4,260	$ (2,207)	$ 2,053	$ (18)	$ 2,035
Derivative liabilities:					
Derivatives subject to master netting arrangement or similar arrangement	$ (2,939)	$ 2,761	$ (178)	$ 22	$ (156)
Derivatives not subject to master netting arrangement or similar arrangement	(193)	5	(188)	11	(177)
Exchange traded derivatives	(204)	204	—	—	—
Total derivative liabilities	$ (3,336)	$ 2,970	$ (366)	$ 33	$ (333)

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

	2020			2019		
		Hedge Basis Adjustment			Hedge Basis Adjustment	
December 31, (Dollars in millions)	Hedged Asset / Liability Basis	Items Currently Designated	Items No Longer Designated	Hedged Asset / Liability Basis	Items Currently Designated	Items No Longer Designated
AFS securities	$ 100,988	$ (33)	$ 50	$ 473	$ —	$ 65
Loans and leases	470	—	18	528	3	15
Long-term debt	27,725	—	930	28,557	174	23

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.

Year Ended December 31, (Dollars in millions)	2020	2019	2018
Pre-tax gain (loss) recognized in OCI:			
Deposits	$ —	$ (42)	$ 15
Short-term borrowings	—	2	(3)
Long-term debt	—	(76)	57
Total	$ —	$ (116)	$ 69
Pre-tax gain (loss) reclassified from AOCI into interest expense:			
Deposits	$ (8)	$ (1)	$ (1)
Short-term borrowings	(19)	(10)	1
Long-term debt	(21)	(14)	(12)
Total	$ (48)	$ (25)	$ (12)

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

Year Ended December 31, (Dollars in millions)	2020	2019	2018
AFS securities:			
Amounts related to interest settlements	$ (3)	$ —	$ (5)
Recognized on derivatives	29	(16)	12
Recognized on hedged items	(41)	8	(15)
Net income (expense) recognized	(15)	(8)	$ (8)
Loans and leases:			
Amounts related to interest settlements	(1)	—	(2)
Recognized on derivatives	(3)	(21)	(1)
Recognized on hedged items	1	19	2
Net income (expense) recognized	(3)	(2)	(1)
Long-term debt:			
Amounts related to interest settlements	182	(56)	(30)
Recognized on derivatives	831	170	(122)
Recognized on hedged items	(732)	(151)	165
Net income (expense) recognized	281	(37)	13
Net income (expense) recognized, total	$ 263	$ (47)	$ 4

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

December 31, (Dollars in millions)	2020	2019
Cash flow hedges:		
Net unrecognized after-tax gain (loss) on terminated hedges recorded in AOCI (to be recognized in earnings through 2022)	$ (64)	$ (101)
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	(42)	(37)
Fair value hedges:		
Unrecognized pre-tax net gain (loss) on terminated hedges (to be recognized as interest primarily through 2029)	$ 862	$ (57)
Portion of pre-tax net gain (loss) on terminated hedges to be recognized as a change in interest during the next 12 months	292	(6)

Derivatives Not Designated as Hedging Instruments under GAAP

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:

Year Ended December 31, (Dollars in millions)	Location	2020	2019	2018
Client-related and other risk management:				
Interest rate contracts	Investment banking and trading income and other income	$ 44	$ 76	$ 40
Foreign exchange contracts	Investment banking and trading income and other income	(45)	(13)	21
Equity contracts	Investment banking and trading income and other income	(4)	(3)	—
Credit contracts	Investment banking and trading income and other income	178	(25)	—
Commodity contracts	Investment banking and trading income	6	—	—
Mortgage banking:				
Interest rate contracts	Residential mortgage income	(418)	(61)	36
Interest rate contracts	Commercial real estate related income	3	(4)	—
MSRs:				
Interest rate contracts	Residential mortgage income	495	137	(62)
Interest rate contracts	Commercial real estate related income	20	7	(3)
Total		$ 279	$ 114	$ 32

Credit Derivative Instruments

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

The Company has entered into TRS contracts on loans. 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 16. Commitments and Contingencies."

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 December 31, 2020, the remaining terms on these risk participations ranged from less than one year to 10 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 following table presents additional information related to interest rate derivative risk participation agreements and total return swaps:

December 31, (Dollars in millions)	2020	2019
Risk participation agreements:		
Maximum potential amount of exposure	$ 530	$ 291
Total return swaps:		
Cash collateral held	374	653

The following table summarizes collateral positions with counterparties:

December 31, (Dollars in millions)	2020	2019
Dealer and other counterparties:		
Cash and other collateral received from counterparties	$ 446	$ 514
Derivatives in a net gain position secured by collateral received	585	615
Unsecured positions in a net gain with counterparties after collateral postings	49	101
Cash collateral posted to dealer counterparties	1,524	1,255
Derivatives in a net loss position secured by collateral	1,604	1,300
Additional collateral that would have been posted had the Company's credit ratings dropped below investment grade	3	12
Central counterparties clearing:		
Cash collateral, including initial margin, posted to central clearing parties	172	30
Derivatives in a net loss position	90	31
Derivatives in a net gain position	5	—
Securities pledged to central counterparties clearing	1,281	513

NOTE 20. Computation of EPS

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

Year Ended December 31, (Dollars in millions, except per share data, shares in thousands)	2020	2019	2018
Net income available to common shareholders	$ 4,184	$ 3,028	$ 3,063
Weighted average number of common shares	1,347,080	805,104	772,963
Effect of dilutive outstanding equity-based awards	11,209	10,100	10,521
Weighted average number of diluted common shares	1,358,289	815,204	783,484
Basic EPS	$ 3.11	$ 3.76	$ 3.96
Diluted EPS	$ 3.08	$ 3.71	$ 3.91
Anti-dilutive awards	16	4	22

NOTE 21. Operating Segments

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.

Consumer Banking and Wealth

The CB&W segment is made up of five primary businesses:

- Retail Community Banking provides banking, borrowing, investing and protection services, and advice through Premier Banking, to individuals and small business clients through an extensive network of branches and ATMs, digital channels and contact centers. Financial products and services offered include deposits and payments, credit cards, loans, mortgages, brokerage and investment advisory services and insurance solutions. Consumer Banking also serves as an entry point for clients and services for other businesses.
- NCF&P provides a comprehensive set of technology-enabled lending solutions to individuals and small businesses through several national channels including LightStream, Sheffield and certain point-of-sale lending partnerships. NCF&P also provides merchant services and payment processing solutions to business clients in the community bank.
- Wealth provides a full array of wealth management and banking products and professional services to individuals and institutional clients, including trust, brokerage, professional investment advisory, loans and deposits services to clients seeking active management of their financial resources. Institutional clients are served by the Institutional Investment Management Group. Full service and online/discount brokerage products are offered to individual clients; additionally, investment advisory products and services are offered to clients through an SEC registered investment advisor. Wealth also includes GenSpring Family Office Advisory Services, LLC, which provides family office solutions to clients and their families to help them manage and sustain wealth across multiple generations, including family meeting facilitation, consolidated reporting, expense management, specialty asset management and business transition advice, as well as other wealth management disciplines.

- Mortgage Banking offers residential mortgage products nationally through its retail and correspondent channels, the internet and by telephone. These products are either sold in the secondary market, typically with servicing rights retained, or held in the Company's loan portfolio. Mortgage Banking also services loans held in the Company's loan portfolio as well as those held by third party investors. Mortgage also includes Mortgage Warehouse Lending, which provides short-term lending solutions to finance first-lien residential mortgage LHFS by independent mortgage companies.
- Dealer Retail Services originates loans to individuals on a prime and nonprime basis for the purchase of automobiles. Such loans are originated on an indirect basis through approved franchised and independent automobile dealers throughout the Truist market area and nationally through Regional Acceptance Corporation. Additionally, Dealer Retail Services originates loans for the purchase of boats and other recreational vehicles through dealers in Truist's market area.

Corporate and Commercial Banking

The C&CB segment is made up of four primary businesses and the Treasury Solutions product group:

- Corporate and Investment Banking delivers a comprehensive range of strategic advisory, capital raising, risk management, financing, liquidity and investment solutions, with the goal of serving the needs of both public and private companies in the C&CB segment. Investment Banking and Corporate Banking teams within CIB serve clients across the nation, offering a full suite of traditional banking and investment banking products and services. Investment Banking serves select industry segments including consumer and healthcare, energy, technology, financial services, industrials, and media and communications. Corporate Banking serves clients across diversified industry sectors based on size, complexity, and frequency of capital markets issuance.
- Commercial Community Banking offers an array of traditional banking products, including lending, deposits, cash management and investment banking solutions via CIB to commercial clients (generally clients with revenues between $5 million and $500 million), including not-for-profit organizations, governmental entities, healthcare and aging services and auto dealer financing (floor plan inventory financing). Local teams deliver these solutions along with the Company's industry expertise to commercial clients to help them achieve their goals.
- Commercial Real Estate provides a range of credit and deposit services as well as fee-based product offerings to developers, operators, and investors in commercial real estate properties through its National Banking Division. Additionally, Commercial Real Estate offers tailored financing and equity investment solutions for community development and affordable housing projects, with particular expertise in Low Income Housing Tax Credits and New Market Tax Credits. Real Estate Corporate and Investment Banking targets relationships with publicly-traded and privately owned REITs.
- Grandbridge Real Estate Capital, LLC is a fully integrated commercial mortgage investment banking company that originates commercial and multi-family real estate loans, services loan portfolios and provides asset and portfolio management as well as real estate brokerage services. Additionally, the Investor Services Group offers loan administration, special servicing, valuation and advisory services to third party clients.
- Treasury Solutions provides business clients in the C&CB and CB&W segments with services required to manage their payments and receipts, combined with the ability to manage and optimize their deposits across all aspects of their business. Treasury Solutions operates all electronic and paper payment types, including card, wire transfer, ACH, check and cash. It also provides clients the means to manage their accounts electronically online, both domestically and internationally.

Insurance Holdings

Truist's IH segment is one of the largest insurance agency / brokerage networks, providing property and casualty, employee benefits and life insurance to businesses and individuals. It also provides small business and corporate services, such as workers compensation and professional liability, as well as surety coverage and title insurance. IH also includes Prime Rate Premium Finance Corporation, which includes AFCO Credit Corporation and CAFO Holding Company, insurance premium finance subsidiaries that provide funding to businesses in the United States and Canada.

Other, Treasury & Corporate

OT&C includes management of the Company's investment securities portfolio, long-term debt, derivative instruments used for balance sheet hedging, short-term liquidity and funding activities, balance sheet risk management and most real estate assets, as well as the Company's functional activities such as marketing, finance, enterprise risk, legal, enterprise technology and executive leadership, among others. Additionally, OT&C houses intercompany eliminations, including intersegment net referral fees and residual interest rate risk after segment allocations have taken place.

Truist emphasizes revenue growth by focusing on client service, sales effectiveness and relationship management along with an organizational focus on referring clients between businesses. The objective is to provide Truist's entire suite of products to its clients with the end goal of providing clients the best financial experience in the marketplace. To promote revenue growth, revenues of certain products and services are reflected in the results of the segment providing those products and services and are also allocated to CB&W and C&CB. These allocated revenues between segments are reflected as net referral fees in noninterest income and eliminated in OT&C.

The segment results are presented based on internal management methodologies that were designed to support these strategic objectives. Unlike financial accounting, there is no comprehensive authoritative body of guidance for management accounting equivalent to GAAP. The performance of the segments is not comparable with Truist's consolidated results or with similar information presented by any other financial institution. Additionally, because of the interrelationships between the various segments, the information presented is not indicative of how the segments would perform if they operated as independent entities.

Because business segment results are presented based on management accounting practices, the transition to the consolidated results prepared under U.S. GAAP creates certain differences, which are reflected as residuals in OT&C. Business segment reporting conventions include, but are not limited to, the items as detailed below.

Segment net interest income reflects matched maturity funds transfer pricing, which ascribes credits or charges based on the economic value or cost created by assets and liabilities of each segment. Residual differences between these credits and charges are captured in OT&C.

Noninterest income includes inter-segment referral fees, as well as federal and state tax credits that are grossed up on a pre-tax equivalent basis, related primarily to certain community development investments. Recoveries for these allocations are reported in OT&C.

Corporate expense allocations, including overhead or functional expenses that are not directly charged to the segments, are allocated to segments based on various drivers (number of FTEs, number of accounts, loan balances, net revenue, etc.). Recoveries for these allocations are reported in OT&C.

Provision for credit losses represents net charge-offs by segment combined with an allocation to the segments for the provision attributable to each segment's quarterly change in the ALLL. Provision for income taxes is calculated using a blended income tax rate for each segment and includes reversals of the noninterest income tax adjustments described above. The difference between the calculated provision for income taxes at the segment level and the consolidated provision for income taxes is reported in OT&C.

The application and development of management reporting methodologies is an active process and undergoes periodic enhancements. The implementation of these enhancements to the internal management reporting methodology may materially affect the results disclosed for each segment, with no impact on consolidated results. If significant changes to management reporting methodologies take place, the impact of these changes is quantified and prior period information is revised, when practicable.

The following table presents results by segment:

Year Ended December 31, (Dollars in millions)	CB&W			C&CB			IH			OT&C (1)			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Net interest income (expense)	$ 7,377	$ 3,633	$ 3,410	$ 5,391	$ 3,153	$ 2,723	$ 126	$ 146	$ 119	$ 932	$ 381	$ 430	$ 13,826	$ 7,313	$ 6,682
Net intersegment interest income (expense)	1,424	923	406	(213)	(409)	(110)	(32)	(44)	(32)	(1,179)	(470)	(264)	—	—	—
Segment net interest income	8,801	4,556	3,816	5,178	2,744	2,613	94	102	87	(247)	(89)	166	13,826	7,313	6,682
Allocated provision for credit losses	1,004	513	506	1,304	102	111	9	9	3	18	(9)	(54)	2,335	615	566
Segment net interest income after provision	7,797	4,043	3,310	3,874	2,642	2,502	85	93	84	(265)	(80)	220	11,491	6,698	6,116
Noninterest income	4,056	2,316	2,047	2,476	1,168	1,019	2,241	2,112	1,872	106	(341)	(62)	8,879	5,255	4,876
Amortization of intangibles	419	58	41	175	31	19	72	74	71	19	1	—	685	164	131
Other noninterest expense	7,431	3,970	3,408	3,272	1,509	1,471	1,713	1,703	1,544	1,796	588	378	14,212	7,770	6,801
Income (loss) before income taxes	4,003	2,331	1,908	2,903	2,270	2,031	541	428	341	(1,974)	(1,010)	(220)	5,473	4,019	4,060
Provision (benefit) for income taxes	944	566	473	582	479	433	134	110	88	(679)	(373)	(191)	981	782	803
Segment net income (loss)	$ 3,059	$ 1,765	$ 1,435	$ 2,321	$ 1,791	$ 1,598	$ 407	$ 318	$ 253	$ (1,295)	$ (637)	$ (29)	$ 4,492	$ 3,237	$ 3,257
Identifiable assets (period end)	$163,548	$169,970	$74,974	$186,555	$185,855	$85,985	$ 7,932	$ 7,325	$ 6,622	$151,193	$109,928	$ 58,116	$509,228	$473,078	$225,697

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

NOTE 22. Parent Company Financial Information

Parent Company - Condensed Balance Sheets (Dollars in millions)	December 31, 2020	2019
Assets:		
Cash and due from banks	$ 688	$ 361
Interest-bearing deposits with banks	13,434	12,031
AFS securities at fair value	82	137
Advances to / receivables from subsidiaries:		
Banking	2,541	1,350
Nonbank	3,734	3,735
Total advances to / receivables from subsidiaries	6,275	5,085
Investment in subsidiaries:		
Banking	65,641	64,206
Nonbank	4,296	3,856
Total investment in subsidiaries	69,937	68,062
Other assets	313	655
Total assets	$ 90,729	$ 86,331
Liabilities and Shareholders' Equity:		
Short-term borrowings	$ 621	$ 603
Long-term debt	18,890	18,130
Other liabilities	306	1,040
Total liabilities	19,817	19,773
Total shareholders' equity	70,912	66,558
Total liabilities and shareholders' equity	$ 90,729	$ 86,331

Parent Company - Condensed Income and Comprehensive Income Statements (Dollars in millions)	Year Ended December 31, 2020	2019	2018
Income:			
Dividends from subsidiaries:			
Banking	$ 2,800	$ 1,650	$ 2,825
Nonbank	5	35	147
Total dividends from subsidiaries	2,805	1,685	2,972
Interest and other income from subsidiaries	170	217	164
Other income	12	—	7
Total income	2,987	1,902	3,143
Expenses:			
Interest expense	333	475	364
Other expenses	174	250	82
Total expenses	507	725	446
Income before income taxes and equity in undistributed earnings of subsidiaries	2,480	1,177	2,697
Income tax benefit	56	92	52
Income before equity in undistributed earnings of subsidiaries	2,536	1,269	2,749
Equity in undistributed earnings of subsidiaries in excess of dividends from subsidiaries	1,956	1,968	508
Net income	4,492	3,237	3,257
Total OCI	1,560	871	(248)
Total comprehensive income	$ 6,052	$ 4,108	$ 3,009

Parent Company - Statements of Cash Flows (Dollars in millions)	Year Ended December 31, 2020	2019	2018
Cash Flows From Operating Activities:			
Net income	$ 4,492	$ 3,237	$ 3,257
Adjustments to reconcile net income to net cash from operating activities:			
Equity in earnings of subsidiaries in excess of dividends from subsidiaries	(1,956)	(1,968)	(508)
Other, net	(704)	84	(28)
Net cash from operating activities	1,832	1,353	2,721
Cash Flows From Investing Activities:			
Proceeds from maturities, calls, and paydowns of AFS securities	79	157	33
Purchases of AFS securities	(22)	(79)	(28)
Investment in subsidiaries	(79)	(1)	—
Advances to subsidiaries	(6,711)	(5,358)	(4,639)
Proceeds from repayment of advances to subsidiaries	5,499	8,304	3,665
Net cash from acquisitions and divestitures	—	1,903	—
Other, net	14	(1)	(4)
Net cash from investing activities	(1,220)	4,925	(973)
Cash Flows From Financing Activities:			
Net change in short-term borrowings	18	53	(5)
Net change in long-term debt	397	370	1,746
Repurchase of common stock	—	—	(1,205)
Net proceeds from preferred stock issued	3,449	1,683	—
Redemption of preferred stock	(500)	(1,725)	—
Cash dividends paid on common and preferred stock	(2,725)	(1,459)	(1,378)
Other, net	479	(40)	(52)
Net cash from financing activities	1,118	(1,118)	(894)
Net Change in Cash and Cash Equivalents	1,730	5,160	854
Cash and Cash Equivalents, January 1	12,392	7,232	6,378
Cash and Cash Equivalents, December 31	$ 14,122	$ 12,392	$ 7,232

The transfer of funds in the form of dividends, loans or advances from bank subsidiaries to the Parent Company is restricted. Federal law requires loans to the Parent Company or its affiliates to be secured and at market terms and generally limits loans to the Parent Company or an individual affiliate to 10% of Truist Bank's unimpaired capital and surplus. In the aggregate, loans to the Parent Company and all affiliates cannot exceed 20% of the bank's unimpaired capital and surplus.

Dividend payments to the Parent Company by Truist Bank are subject to regulatory review and statutory limitations and, in some instances, regulatory approval. In general, dividends from Truist Bank to the Parent Company are limited by rules which compare dividends to net income for regulatory-defined periods. Furthermore, dividends are restricted by regulatory minimum capital constraints.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Report on Internal Control over Financial Reporting and Evaluation of Disclosure Controls and Procedures

Management's Report on 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. Truist's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and disposition of the Company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with GAAP and that receipts and expenditures of the Company are being made only in accordance with the authorizations of Truist's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material impact on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Under the supervision and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer, the Company conducted an evaluation of the effectiveness of the internal control over financial reporting based on the framework in Internal Control-Integrated Framework (2013) promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the "COSO" criteria. Based on this evaluation under the COSO criteria, management concluded that the internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2020 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their accompanying report, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2020.

Disclosure Controls and Procedures and Changes in Internal Control over Financial Reporting

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 Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the Company's disclosure controls and procedures as defined in Rule 13a-15(e) of the Exchange Act. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

There was no change in the Company's internal control over financial reporting that occurred during the fourth quarter of 2020 that has materially affected, or is likely to materially affect, the Company's internal control over financial reporting.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Description	Location
2.1	Agreement and Plan of Merger, dated as of February 7, 2019, by and between SunTrust Banks, Inc. and BB&T Corporation.	Incorporated herein by reference to Exhibit 2.1 of the Current Report on Form 8-K, filed February 13, 2019.
2.2	First Amendment to the Agreement and Plan of Merger, dated as of June 14, 2019, by and between SunTrust Banks, Inc. and BB&T Corporation.	Incorporated herein by reference to Exhibit 2.1 of the Current Report on Form 8-K, filed June 14, 2019.
3.1*	Articles of Incorporation of the Registrant, as consolidated and restated December 15, 2020.	Filed herewith.
3.2*	Bylaws of the Registrant, as amended and restated December 7, 2019.	Incorporated herein by reference to Exhibit 3.1 of the Current Report on Form 8-K, filed December 7, 2019.
4.1	Indenture Regarding Senior Securities (including form of Senior Debt Security) between Registrant and U.S. Bank National Association (as successor in interest to State Street Bank and Trust Company), as trustee, dated as of May 24, 1996.	Incorporated herein by reference to Exhibit 4.1 of the Quarterly Report on Form 10-Q, filed August 14, 1996.
4.2	First Supplemental Indenture, dated May 4, 2009, to the Indenture Regarding Senior Securities, dated as of May 24, 1996, between the Registrant and U.S. Bank National Association.	Incorporated herein by reference to Exhibit 4.2 of the Current Report on Form 8-K, filed May 4, 2009.
4.3	Indenture Regarding Subordinated Securities (including Form of Subordinated Debt Security) between the Registrant and U.S. Bank National Association (as successor in interest to State Street Bank and Trust Company), as trustee, dated as of May 24, 1996.	Incorporated herein by reference to Exhibit 4.2 of the Quarterly Report on Form 10-Q, filed August 14, 1996.
4.4	First Supplemental Indenture, dated as of December 23, 2003, to the Indenture Regarding Subordinated Securities, dated as of May 24, 1996, between the Registrant and U.S. Bank National Association.	Incorporated herein by reference to Exhibit 4.5 of the Annual Report on Form 10-K, filed February 27, 2009.
4.5	Second Supplemental Indenture, dated as of September 24, 2004, to the Indenture Regarding Subordinated Securities, dated as of May 24, 1996, between the Registrant and U.S. Bank National Association.	Incorporated herein by reference to Exhibit 4.7 of the Annual Report on Form 10-K, filed February 26, 2010.
4.6	Third Supplemental Indenture, dated May 4, 2009, to the Indenture Regarding Subordinated Securities, dated as of May 24, 1996, between the Registrant and U.S. Bank National Association.	Incorporated herein by reference to Exhibit 4.6 of the Current Report on Form 8-K, filed May 4, 2009.
4.7	Deposit Agreement, dated as of July 29, 2019, between the Company and Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary.	Incorporated herein by reference to Exhibit 4.2 of the Current Report on Form 8-K, filed July 29, 2019.
4.8	Form of Depositary Receipt.	Incorporated herein by reference to Exhibit 4.2 of the Current Report on Form 8-K, filed July 29, 2019.
4.9	Description of the Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	Filed herewith.
Other instruments defining the rights of holders of long-term debt securities of Truist are omitted pursuant to Section (b)(4)(iii)(A) of Item 601 of Regulation S-K. Truist agrees to furnish copies of these instruments to the SEC upon request.		
10.1*	BB&T Corporation Amended and Restated Non-Employee Directors' Deferred Compensation Plan (amended and restated January 1, 2005).	Incorporated herein by reference to Exhibit 10.1 of the Annual Report on Form 10-K, filed February 28, 2008.
10.2*	BB&T Corporation Amended and Restated 2004 Stock Incentive Plan, as amended (as amended through February 24, 2009).	Incorporated herein by reference to the Appendix to the Proxy Statement for the 2009 Annual Meeting of Shareholders on Schedule 14A, filed March 13, 2009.
10.3*	BB&T Corporation 2012 Incentive Plan, as amended	Incorporated herein by reference to Exhibit 10.1 of the Registration Statement on Form S-8, filed May 25, 2017.
10.4*	Form of Restricted Stock Unit Agreement (Non-Employee Directors) for the BB&T 2012 Incentive Plan (effective 2019).	Incorporated herein by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q, filed April 30, 2019.
10.5*	Form of Non-Employee Director Nonqualified Stock Option Agreement for the BB&T Corporation Amended and Restated 2004 Stock Incentive Plan (5-Year Vesting).	Incorporated herein by reference to Exhibit 10.7 of the Annual Report on Form 10-K, filed February 28, 2008.
10.6*	Form of Non-Employee Director Nonqualified Stock Option Agreement for the BB&T Corporation Amended and Restated 2004 Stock Incentive Plan (4-Year Vesting).	Incorporated herein by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q, filed May 7, 2010.
10.7*	Form of Employee Nonqualified Stock Option Agreement for the BB&T Corporation Amended and Restated 2004 Stock Incentive Plan (5-Year Vesting).	Incorporated herein by reference to Exhibit 10.8 of the Annual Report on Form 10-K, filed February 28, 2008.
10.8*	Form of Employee Nonqualified Stock Option Agreement for the BB&T Corporation Amended and Restated 2004 Stock Incentive Plan (4-Year Vesting).	Incorporated herein by reference to Exhibit 10.5 of the Quarterly Report on Form 10-Q, filed May 7, 2010.
10.9*	Southern National Deferred Compensation Plan for Key Executives including amendments.	Incorporated herein by reference to Exhibit 10.21 of the Annual Report on Form 10-K, filed February 25, 2011.
10.10*	BB&T Non-Qualified Defined Benefit Plan (January 1, 2012 Restatement).	Incorporated herein by reference to Exhibit 10.11 of the Annual Report on Form 10-K, filed February 25, 2016.

Exhibit No.	Description	Location
10.11*	First Amendment to the BB&T Non-Qualified Defined Benefit Plan (January 1, 2012 Restatement).	Incorporated herein by reference to Exhibit 10.12 of the Annual Report on Form 10-K, filed February 25, 2016.
10.12*	Second Amendment to the BB&T Non-Qualified Defined Benefit Plan (January 1, 2012 Restatement).	Incorporated herein by reference to Exhibit 10.13 of the Annual Report on Form 10-K, filed February 25, 2016.
10.13*	Form of Employee Nonqualified Stock Option Agreement for the BB&T Corporation Amended and Restated 2004 Stock Incentive Plan (4-Year Vesting with Clawback Provision).	Incorporated herein by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q, filed May 4, 2012.
10.14*	Form of Employee Nonqualified Stock Option Agreement for the BB&T Corporation 2012 Incentive Plan.	Incorporated herein by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q, filed May 2, 2013.
10.15*	Form of Nonqualified Option Agreement (Senior Executive) for the BB&T Corporation 2012 Incentive Plan.	Incorporated herein by reference to Exhibit 10.4 of the Quarterly Report on Form 10-Q, filed April 30, 2014.
10.16*	Form of Director Restricted Stock Unit Agreement for the BB&T Corporation 2012 Incentive Plan.	Incorporated herein by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q, filed May 2, 2013.
10.17*	Form of Restricted Stock Unit Agreement (Performance-Based Vesting Component)(Senior Executive) for the BB&T Corporation 2012 Incentive Plan.	Incorporated herein by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q, filed April 30, 2014.
10.18*	Form of LTIP Award Agreement for the BB&T Corporation 2012 Incentive Plan (effective 2019).	Incorporated herein by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q, filed April 30, 2019.
10.19*	Modification of 2016-2018 Long-Term Incentive Performance Award - Summary.	Incorporated herein by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q, filed July 27, 2016.
10.20*	Form of Performance Unit Award Agreement for the BB&T Corporation 2012 Incentive Plan (effective 2019).	Incorporated herein by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q, filed April 30, 2019.
10.21*	2008 Amended and Restated Employment Agreement by and among BB&T Corporation, Branch Banking and Trust Co. and Christopher L. Henson.	Incorporated herein by reference to Exhibit 10.21 of the Annual Report on Form 10-K, filed February 27, 2009.
10.22*	2008 Amended and Restated Employment Agreement by and among BB&T Corporation, Branch Banking and Trust Co. and Daryl N. Bible.	Incorporated herein by reference to Exhibit 10.22 of the Annual Report on Form 10-K, filed February 27, 2009.
10.23*	2008 Amended and Restated Employment Agreement by and among BB&T Corporation, Branch Banking and Trust Co. and Clarke R. Starnes, III.	Incorporated herein by reference to Exhibit 10.27 of the Annual Report on Form 10-K, filed February 27, 2009.
10.24*	2016 Employment Agreement by and among BB&T Corporation, Branch Banking and Trust Company and David H. Weaver.	Incorporated herein by reference to Exhibit 10.39 of the Annual Report on Form 10-K, filed February 25, 2016.
10.25*	2016 Employment Agreement by and among BB&T Corporation, Branch Banking and Trust Company and Brant J. Standridge.	Incorporated herein by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q, filed October 24, 2016.
10.26*	2016 Employment Agreement by and among BB&T Corporation, Branch Banking and Trust Company and Dontá L. Wilson.	Incorporated herein by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q, filed October 24, 2016.
10.27*	Amended and Restated Employment Agreement by and among BB&T Corporation, Branch Banking and Trust Co. and Kelly S. King dated as of February 7, 2019.	Incorporated herein by reference to Exhibit 10.1 of the Current Report on Form 8-K, filed February 13, 2019.
10.28*	Form of Notice of Term Non-Renewal under Employment Agreements	Incorporated herein by reference to Exhibit 10.1 of the Current Report on Form 8-K, filed March 6, 2019.
10.29*	Form of Synergy Incentive Award Letter with each of Daryl N. Bible and Clarke R. Starnes, III	Incorporated herein by reference to Exhibit 10.1 of the Current Report on Form 8-K, filed June 3, 2019.
10.30*	Synergy Incentive Award Letter with Christopher L. Henson	Incorporated herein by reference to Exhibit 10.3 of the Current Report on Form 8-K, filed June 3, 2019.
10.31*	Form of First Amendment to Employment Agreement with each of Daryl N. Bible and Clarke R. Starnes, III	Incorporated herein by reference to Exhibit 10.4 of the Current Report on Form 8-K, filed June 3, 2019.
10.32*	Form of First Amendment to Employment Agreement with Christopher L. Henson	Incorporated herein by reference to Exhibit 10.5 of the Current Report on Form 8-K, filed June 3, 2019.
10.33*	First Amendment to 2016 Employment Agreement with Brant J. Standridge	Incorporated herein by reference to Exhibit 10.9 of the Quarterly Report on Form 10-Q, filed July 31, 2019.
10.34*	First Amendment to 2016 Employment Agreement with David H. Weaver	Incorporated herein by reference to Exhibit 10.10 of the Quarterly Report on Form 10-Q, filed July 31, 2019.
10.35*	First Amendment to 2016 Employment Agreement with Dontá L. Wilson	Incorporated herein by reference to Exhibit 10.11 of the Quarterly Report on Form 10-Q, filed July 31, 2019.

Exhibit No.	Description	Location
10.36*	Form of Synergy Incentive Award Letter with each of Brant J. Standridge, David H. Weaver and Dontá L. Wilson	Incorporated herein by reference to Exhibit 10.14 of the Quarterly Report on Form 10-Q, filed July 31, 2019.
10.37*	SunTrust Banks, Inc. 2009 Stock Plan, as amended and restated as of August 11, 2015	Incorporated by reference to Exhibit 10.1 to SunTrust's Current Report on Form 8-K, filed August 13, 2015.
10.38*	Form of Nonqualified Stock Option Agreement	Incorporated by reference to Exhibit 10.1.1 to SunTrust's Registration Statement No. 333-158866 on Form S-8, filed April 28, 2009.
10.39*	Form of Nonqualified Stock Option Award Agreement with clawback under the SunTrust Banks, Inc. 2009 Stock Plan	Incorporated by reference to Exhibit 10.29 of SunTrust's Annual Report on Form 10-K, filed February 24, 2012.
10.40*	Form of Restricted Stock Unit Award Agreement, 2016 ROTCE/TSR	Incorporated herein by reference to Exhibit 10.3 of SunTrust's Quarterly Report on Form 10-Q, filed May 4, 2016.
10.41*	Form of Performance Vested Restricted Stock Unit Award Agreement, 2017, (ROTCE/TSR)	Incorporated herein by reference to Exhibit 10.19 of SunTrust's Annual Report on Form 10-K, filed February 24, 2017.
10.42*	Form of Performance Vested Restricted Stock Unit Award Agreement, 2018, Type I	Incorporated herein by reference to Exhibit 10.18 of SunTrust's Annual Report on Form 10-K, filed February 24, 2017.
10.43*	Form of Time Vested Restricted Stock Unit Award Agreement, 2018, Type II	Incorporated herein by reference to Exhibit 10.19 of SunTrust's Annual Report on Form 10-K, filed February 23, 2018.
10.44*	Form of Time Vested Restricted Stock Unit Award Agreement, 2018, Type III	Incorporated herein by reference to Exhibit 10.20 of SunTrust's Annual Report on Form 10-K, filed February 23, 2018.
10.45*	Form of Time Vested Restricted Stock Unit Award Agreement, 2018, Type II	Incorporated herein by reference to Exhibit 10.21 of SunTrust's Annual Report on Form 10-K, filed February 23, 2018.
10.46*	Form of Time Vested Restricted Stock Unit Award Agreement, 2018, Type III	Incorporated herein by reference to Exhibit 10.22 of SunTrust's Annual Report on form 10-K, filed February 23, 2018.
10.47*	Form of Time Vested Restricted Stock Unit Award Agreement, 2018, Type IV	Incorporated herein by reference to Exhibit 10.23 of SunTrust's Annual Report on Form 10-K, filed February 23, 2018.
10.48*	SunTrust Banks, Inc. ERISA Excess Retirement Plan, amended and restated effective as of January 1, 2011	Incorporated herein by reference to Exhibit 10.8 to SunTrust's Quarterly Report on Form 10-Q, filed August 9, 2011.
10.49*	Further amended by Amendment Number One, effective as of January 1, 2012	Incorporated herein by reference to Exhibit 10.10 to SunTrust's Annual Report on Form 10-K, filed February 24, 2012.
10.50*	Executive Severance Plan, amended and restated January 1, 2019	Incorporated herein by reference to Exhibit 10.8 to SunTrust's Annual Report on Form 10-K, filed February 22, 2019.
10.51*	SunTrust Banks, Inc. 2018 Omnibus Incentive Compensation Plan	Incorporated herein by reference to Appendix B to SunTrust's definitive Proxy Statement, filed March 9, 2018.
10.52*	Form of Non-employee Director Restricted Stock Award Agreement	Incorporated herein by reference to Exhibit 10.2 to SunTrust's Quarterly Report on Form 10-Q, filed May 4, 2018.
10.53*	Form of Time-Vested Restricted Stock Unit Award Agreement, Type I	Incorporated herein by reference to Exhibit 10.5 to SunTrust's Quarterly Report on Form 10-Q, filed May 4, 2018.
10.54*	Form of Time-Vested Restricted Stock Unit Award Agreement, Type II	Incorporated herein by reference to Exhibit 10.6 to SunTrust's Quarterly Report on Form 10-Q, filed May 4, 2018.
10.55*	Form of Time-Vested Restricted Stock Unit Award Agreement, Type III	Incorporated herein by reference to Exhibit 10.7 to SunTrust's Quarterly Report on Form 10-Q, filed May 4, 2018.
10.56*	Form of Time-Vested Restricted Stock Unit Award Agreement, Type IV	Incorporated herein by reference to Exhibit 10.8 to SunTrust's Quarterly Report on Form 10-Q, filed May 4, 2018.
10.57*	2019 Employment Agreement by and among BB&T Corporation, Branch Banking and Trust Company and William H. Rogers, Jr.	Incorporated herein by reference to Exhibit 10.90 of the Annual Report on Form 10-K, filed March 3, 2020.
10.58*	Form of Restricted Stock Unit Agreement (Non-Employee Directors) for the Truist Financial Corporation 2012 Incentive Plan (effective 2020).	Incorporated herein by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q, filed May 8, 2020.
10.59*	Form of Restricted Stock Unit Agreement (Executive Officers) for the Truist Financial Corporation 2012 Incentive Plan (effective 2020).	Incorporated herein by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q, filed May 8, 2020.

Exhibit No.	Description	Location
10.60*	Form of LTIP Award Agreement for the Truist Financial Corporation 2012 Incentive Plan (effective 2020).	Incorporated herein by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q, filed May 8, 2020.
10.61*	Form of Performance Unit Award Agreement for the Truist Financial Corporation 2012 Incentive Plan (effective 2020).	Incorporated herein by reference to Exhibit 10.4 of the Quarterly Report on Form 10-Q, filed May 8, 2020.
10.62*	Truist Financial Corporation Nonqualified Defined Contribution Plan	Filed herewith.
10.63*	Master Trust Agreement (NonQualified Plans) between Truist Financial Corporation and Fidelity Management Trust Company	Filed herewith.
10.64*	Truist Financial Corporation 401(k) Savings Plan	Filed herewith.
10.65*	Qualified Trust Agreement between Truist Financial Corporation and Fidelity Management Trust Company (July 15, 2020)	Filed herewith.
10.66*	First Amendment to Qualified Trust Agreement between Truist Financial Corporation and Fidelity Management Trust Company (July 15, 2020)	Filed herewith.
10.67*	SunTrust Banks, Inc. Directors Deferred Compensation Plan, amended and restated as of January 1, 2009	Incorporated by reference to Exhibit 10.1 to the SunTrust Current Report on Form 8-K, filed January 7, 2009.
10.68*	Amendment Number One to the SunTrust Banks, Inc. Directors Deferred Compensation Plan, effective as of January 1, 2018, incorporated by reference to Exhibit 10.14 SunTrust's	Incorporated herein by reference to Exhibit 10.14 of SunTrust's Annual Report on Form 10-K, filed February 22, 2019.
10.69*	First Amendment to BB&T Corporation Amended and Restated Non-Employee Directors' Deferred Compensation Plan (Amended and Restated January 1, 2005)	Filed herewith.
11	Statement re computation of earnings per share.	Filed herewith as Computation of EPS note to the consolidated financial statements.
21†	Subsidiaries of the Registrant.	Filed herewith.
22†	List of Subsidiary Issuers of Guaranteed Securities.	Filed herewith.
23†	Consent of Independent Registered Public Accounting Firm.	Filed herewith.
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.

† Exhibit filed with the SEC and available upon request.

* Management compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, as of February 24, 2021:

Truist Financial Corporation
(Registrant)

/s/ Kelly S. King
Kelly S. King
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated:

/s/ Kelly S. King Kelly S. King	Chairman and Chief Executive Officer	February 24, 2021
/s/ William H. Rogers, Jr. William H. Rogers, Jr.	President and Chief Operating Officer	February 24, 2021
/s/ Daryl N. Bible Daryl N. Bible	Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 24, 2021
/s/ Cynthia B. Powell Cynthia B. Powell	Executive Vice President and Corporate Controller (Principal Accounting Officer)	February 24, 2021
/s/ Jennifer S. Banner Jennifer S. Banner	Director	February 24, 2021
/s/ K. David Boyer, Jr. K. David Boyer, Jr.	Director	February 24, 2021
/s/ Agnes Bundy Scanlan Agnes Bundy Scanlan	Director	February 24, 2021
/s/ Anna R. Cablik Anna R. Cablik	Director	February 24, 2021
/s/ Dallas S. Clement Dallas S. Clement	Director	February 24, 2021
/s/ Paul D. Donahue Paul D. Donahue	Director	February 24, 2021
/s/ Paul R. Garcia Paul R. Garcia	Director	February 24, 2021
/s/ Patrick C. Graney III Patrick C. Graney III	Director	February 24, 2021
/s/ Linnie M. Haynesworth Linnie M. Haynesworth	Director	February 24, 2021
/s/ Easter A. Maynard Easter A. Maynard	Director	February 24, 2021
/s/ Donna S. Morea Donna S. Morea	Director	February 24, 2021
/s/ Charles A. Patton Charles A. Patton	Director	February 24, 2021
/s/ Nido R. Qubein Nido R. Qubein	Director	February 24, 2021
/s/ David M. Ratcliffe David M. Ratcliffe	Director	February 24, 2021
/s/ Frank P. Scruggs, Jr. Frank P. Scruggs, Jr.	Director	February 24, 2021
/s/ Christine Sears Christine Sears	Director	February 24, 2021

/s/ Thomas E. Skains Thomas E. Skains	Director	February 24, 2021
/s/ Bruce L. Tanner Bruce L. Tanner	Director	February 24, 2021
/s/ Thomas N. Thompson Thomas N. Thompson	Director	February 24, 2021
/s/ Steven C. Voorhees Steven C. Voorhees	Director	February 24, 2021

Exhibit 3.1

ARTICLES OF RESTATEMENT
FOR
TRUIST FINANCIAL CORPORATION

Pursuant to §55-10-07 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following for the purpose of restating its Articles of Incorporation.

1. The name of the corporation is Truist Financial Corporation.

2. The text of the Restated Articles of Incorporation is attached.

3. These Restated Articles of Incorporation do not include a new amendment.

4. These Restated Articles of Incorporation consolidate and integrate all amendments into a single document and, therefore, do not require shareholder approval pursuant to Section 5510-07 of the North Carolina Business Corporation Act.

5. The name of the current registered agent is C T Corporation System, and the street address and county of the registered office are: 160 Mine Lake Court, Suite 200, Raleigh, Wake County, North Carolina 27615.

6. These Restated Articles of Incorporation will become effective at 12:01 A.M. on December 16, 2020.

This the 15th day of December, 2020.

TRUIST FINANCIAL CORPORATION
By: /s/ Ellen M. Fitzsimmons
Ellen M. Fitzsimmons
Senior Executive Vice President, Chief Legal Officer,
Head of Enterprise Diversity and Corporate Secretary

TRUIST FINANCIAL CORPORATION

ARTICLES OF INCORPORATION

As Restated December 15, 2020

TRUIST FINANCIAL CORPORATION

Articles of Incorporation

(As restated effective December 15, 2020)

ARTICLE I

The name of the Corporation is Truist Financial Corporation.

ARTICLE II

The period of duration of the Corporation shall be unlimited and perpetual.

ARTICLE III

The purposes for which the Corporation is organized are:

(a) To act as a holding company; to operate, serve and conduct business as a holding company of one or more banks and other corporations; to acquire and own shares of stock or other interests in other businesses and corporations of any lawful character including without limitation, banks, insurance agencies, mortgage loan and servicing businesses, data processing businesses, factoring businesses, credit card businesses, farm and forestry management and agency businesses, and other financially related businesses; to furnish services of all types to and for such banks, corporations and businesses; and as shareholder or as owner of other interests in such banks, corporations and businesses, to exercise all rights, powers and privileges of ownership incident thereto.

(b) To itself operate insurance agencies; to make and acquire mortgage loans and render mortgage loan services; to render data processing services; to render factoring services; to operate consumer and small loan businesses and to make, acquire and service consumer and small loans; to organize, operate and manage mutual funds; to render travel services; to operate credit card businesses; to acquire, own and lease all types of equipment and property; to engage in farming and forestry; to render farm and forestry management and agency services and to engage in and operate all types of farming, agricultural and forestry businesses; to lend its own money; to act as agent or broker in procuring and making loans; and to render financial, management and business services of all types.

(c) To engage in, operate, conduct, perform or participate in every kind of financial, commercial, agricultural, mercantile, manufacturing, industrial, mining, transportation or other enterprise, business, work, contract, undertaking, venture, or operation.

(d) To carry on any other business to any extent and in any manner not prohibited by the laws of North Carolina, or, where the Corporation may seek to do business elsewhere, by local laws; and to engage in, operate and conduct any business which may be deemed adapted, directly or indirectly, to add to the profits of its principal businesses or to increase the value of its assets.

(e) To do all and everything necessary, suitable, expedient or proper for the accomplishment of any of the objects and purposes herein enumerated, or incidental to the powers herein named, or incidental to the protection or benefit of the Corporation, and, in general, to carry on any lawful business necessary or incidental to the attainment of the objects or purposes of the Corporation, or which may be conveniently carried on in connection with any of the business of the Corporation, with all the powers now or hereafter conferred by the laws of North Carolina upon corporations of like character.

ARTICLE IV

(a) The Corporation shall have the authority to issue 2,000,000,000 shares of Common Stock, par value $5.00 each, and 5,000,000 shares of Preferred Stock, par value $5.00 each. The designations of each class are as follows:

1. The first class is Common Stock in the amount of 2,000,000,000 shares, par value $5.00 each share.

2. The second class is Preferred Stock in the amount of 5,000,000 shares, par value $5.00 each share. The Preferred Stock may be issued from time to time in one or more series, and authority is expressly vested in the Board of Directors without action of shareholders to divide the Preferred Stock into series, to provide for the issuance thereof, and to fix and determine the relative rights, voting powers, preferences, limitations, and designations of the shares of any series so established. Authority is expressly vested in the Board of Directors, without limitation, to determine: (i) The number of shares to constitute such series and the distinctive designation thereof; (ii) The dividend rate, conditions and time of accrual and payment thereof, and the dividend preferences, if any, between the classes of stock and between the series of Preferred Stock; (iii) Whether dividends shall be cumulative and, if so, the date from which dividends on each such series shall accumulate; (iv) Whether, and to what extent, the holders of one or more series of Preferred Stock shall enjoy voting rights, if any, in addition to those prescribed by law; (v) Whether, and upon what terms, Preferred Stock will be convertible into or exchangeable for shares of any class or any other series of the same class; and (vi) Whether, and upon what terms, the Preferred Stock, will be redeemable, and the preference, if any, to which the Preferred Stock will be entitled in the event of voluntary liquidation, dissolution or winding up of the Corporation.

(b) **RESERVED**.

(c) **RESERVED**.

(d) **RESERVED**.

(e) Series D Non-Cumulative Perpetual Preferred Stock.

Section 1. **Designation**. The designation of the series of preferred stock shall be Series D Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series D Preferred Stock"). Each share of Series D Preferred Stock shall be identical in all respects to every other share of Series D Preferred Stock. Series D Preferred Stock will rank equally with Parity Stock,

if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. **Number of Shares**. The number of authorized shares of Series D Preferred Stock shall be 23,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series D Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series D Preferred Stock.

Section 3. **Definitions**. As used herein with respect to Series D Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Winston-Salem, North Carolina.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series D Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks on parity with Series D Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series D Preferred Stock, (ii) any proposed change in those laws or regulations that is announced after the initial issuance of any share of Series D Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is

announced after the initial issuance of any share of Series D Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of the shares of Series D Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Appropriate Federal Banking Agency, as then in effect and applicable, for as long as any share of Series D Preferred Stock is outstanding.

"Series D Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series D Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series D Preferred Stock, and no more, payable quarterly in arrears on each March 1, June 1, September 1 or December 1; *provided*, *however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series D Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series D Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to 5.85%. The record date for payment of dividends on the Series D Preferred Stock shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series D Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series D Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series D Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period, and the Corporation shall have no obligation to pay, and the holders of Series D Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series D Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series D Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other

than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series D Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series D Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series D Preferred Stock and any Parity Stock, all dividends declared upon shares of Series D Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series D Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series D Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series D Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series D Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series D Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series D Preferred Stock upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. The holder of Series D Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(**b) Partial Payment**. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series D Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series D Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance

with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series D Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series D Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series D Preferred Stock at the time outstanding, on the Dividend Payment Date on May 1, 2017 or on any Dividend Payment Date thereafter, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series D Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of its intent to redeem, as provided in Subsection (b) below, all (but not less than all) of the shares of Series D Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series D Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series D Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series D Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series D Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series D Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such

holder; (iii) the Redemption Price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series D Preferred Stock at the time outstanding, the shares of Series D Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series D Preferred Stock in proportion to the number of Series D Preferred Stock held by such holders or by lot or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series D Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series D Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series D Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the articles of incorporation or of any articles amendatory thereof or supplemental thereto

(including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series D Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series D Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series D Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series D Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series D Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series D Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation.

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series D Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series D Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series D Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the election of such directors must not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Corporation's securities may be listed) that listed companies must have a majority of independent directors and further provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series D Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series D Preferred Stock as to payment of dividends is a "Preferred Director".

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series D

Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series D Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series D Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series D Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series D Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series D Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series D Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series D Preferred Stock and any other class or series of preferred stock that ranks on parity with Series D Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series D Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series D Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of

directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series D Preferred Stock shall not have any rights to convert such Series D Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series D Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series D Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series D Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided*, *however,* that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series D Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series D Preferred Stock are not subject to the operation of a sinking fund.

(f) Series E Non-Cumulative Perpetual Preferred Stock.

Section 1. Designation. The designation of the series of preferred stock shall be Series E Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series E Preferred Stock"). Each share of Series E Preferred Stock shall be identical in all respects to every other share of Series E Preferred Stock. Series E Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series E Preferred Stock shall be 46,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series E Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be,

has been so authorized. The Corporation shall have the authority to issue fractional shares of Series E Preferred Stock.

Section 3. Definitions. As used herein with respect to Series E Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Winston-Salem, North Carolina.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series E Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks on parity with Series E Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series D Preferred Stock for so long as (i) any Series D Preferred Stock is outstanding and (ii) the terms of the Series D Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Articles of Amendment that initially established the Series E Preferred Stock.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series E Preferred Stock, (ii) any proposed change in those laws or regulations that is announced after the initial issuance of any share of Series E Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of any share of Series E Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of the shares of Series E Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Appropriate Federal Banking Agency, as then in effect and applicable, for as long as any share of Series E Preferred Stock is outstanding.

"Series E Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series E Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series E Preferred Stock, and no more, payable quarterly in arrears on each March 1, June 1, September 1 or December 1; *provided*, *however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series E Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series E Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to 5.625%. The record date for payment of dividends on the Series E Preferred Stock shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series E Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series E Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series E Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period and the Corporation shall have no obligation to pay, and the holders of Series E Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series E Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series E Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to

pro rata offers to purchase all, or a *pro rata* portion, of the Series E Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series E Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series E Preferred Stock and any Parity Stock, all dividends declared upon shares of Series E Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series E Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series E Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series E Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series E Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series E Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series E Preferred Stock upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. The holder of Series E Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series E Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series E Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series E Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series E Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series E Preferred Stock at the time outstanding, on August 1, 2017 or on any Dividend Payment Date thereafter, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series E Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of intent to redeem, as provided in Section (b) below, all (but not less than all) of the shares of Series E Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series E Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series E Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series E Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series E Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series E Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such holder; (iii) the Redemption Price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series E Preferred Stock at the time outstanding, the shares of Series E Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series E Preferred Stock

in proportion to the number of Series E Preferred Stock held by such holders or by lot or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series E Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series E Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series E Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the articles of incorporation or of any articles amendatory thereof or supplemental thereto (including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series E Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series E Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series E Preferred Stock

with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series E Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series E Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series E Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation.

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series E Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series E Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series E Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series E Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series E Preferred Stock as to payment of dividends is a "Preferred Director".

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series E Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series E Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series E Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series E Preferred

Stock, and any other class or series of preferred stock that ranks on parity with Series E Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series E Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series E Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series E Preferred Stock and any other class or series of preferred stock that ranks on parity with Series E Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series E Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series E Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series E Preferred Stock shall not have any rights to convert such Series E Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the

holders of the Series E Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series E Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series E Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided*, *however*, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series E Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series E Preferred Stock are not subject to the operation of a sinking fund.

(g) Series F Non-Cumulative Perpetual Preferred Stock.

Section 1. Designation. The designation of the series of preferred stock shall be Series F Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series F Preferred Stock"). Each share of Series F Preferred Stock shall be identical in all respects to every other share of Series F Preferred Stock. Series F Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series F Preferred Stock shall be 20,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series F Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series F Preferred Stock.

Section 3. Definitions. As used herein with respect to Series F Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Winston-Salem, North Carolina.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series F Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks on parity with Series F Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series D Non-Cumulative Perpetual Preferred Stock and Series E Non-Cumulative Perpetual Preferred Stock for so long as (i) any Series D Non-Cumulative Perpetual Preferred Stock and Series E Non-Cumulative Perpetual Preferred Stock is outstanding and (ii) the terms of the Series D Non-Cumulative Perpetual Preferred Stock and Series E Non-Cumulative Perpetual Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Articles of Amendment that initially established the Series F Preferred Stock.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series F Preferred Stock, (ii) any proposed change in those laws or regulations that is announced after the initial issuance of any share of Series F Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of any share of Series F Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of the shares of Series F Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Appropriate Federal Banking Agency, as then in effect and applicable, for as long as any share of Series F Preferred Stock is outstanding.

"Series F Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series F Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series F Preferred Stock, and no more, payable quarterly in arrears on each March 1, June 1, September 1 or December 1; *provided*, *however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day

that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series F Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series F Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate *per annum* equal to 5.200%. The record date for payment of dividends on the Series F Preferred Stock shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series F Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series F Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series F Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period and the Corporation shall have no obligation to pay, and the holders of Series F Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series F Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series F Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series F Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series F Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series F Preferred Stock and any Parity Stock, all dividends declared upon shares of Series F Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series F Preferred Stock, and accrued dividends, including any accumulations, on Parity

Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series F Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series F Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series F Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series F Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series F Preferred Stock upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. The holder of Series F Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series F Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series F Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series F Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series F Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series F Preferred Stock at the time outstanding, on November 1, 2017 or on any Dividend Payment Date thereafter, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series F Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of intent to redeem, as provided in Section (b) below, all (but not less than all) of the shares of Series F Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series F Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series F Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series F Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series F Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series F Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such holder; (iii) the Redemption Price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series F Preferred Stock at the time outstanding, the shares of Series F Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series F Preferred Stock in proportion to the number of Series F Preferred Stock held by such holders or by lot or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series F Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the

redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series F Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series F Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the articles of incorporation or of any articles amendatory thereof or supplemental thereto (including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series F Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series F Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series F Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series F Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series F Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize

any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series F Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation.

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series F Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series F Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series F Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series F Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series F Preferred Stock as to payment of dividends is a "Preferred Director".

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series F Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series F Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series F Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series F Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series F Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series F

Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series F Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series F Preferred Stock and any other class or series of preferred stock that ranks on parity with Series F Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series F Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series F Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series F Preferred Stock shall not have any rights to convert such Series F Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series F Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series F Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series F Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided*, *however*, that the

Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series F Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series F Preferred Stock are not subject to the operation of a sinking fund.

(h) Series G Non-Cumulative Perpetual Preferred Stock.

Section 1. Designation. The designation of the series of preferred stock shall be Series G Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series G Preferred Stock"). Each share of Series G Preferred Stock shall be identical in all respects to every other share of Series G Preferred Stock. Series G Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series G Preferred Stock shall be 20,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series G Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series G Preferred Stock.

Section 3. Definitions. As used herein with respect to Series G Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Winston-Salem, North Carolina.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series G Preferred Stock has preference

or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks on parity with Series G Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series D Non-Cumulative Perpetual Preferred Stock, Series E Non-Cumulative Perpetual Preferred Stock and Series F Non-Cumulative Perpetual Preferred Stock for so long as (i) any Series D Non-Cumulative Perpetual Preferred Stock, Series E Non-Cumulative Perpetual Preferred Stock and Series F Non-Cumulative Perpetual Preferred Stock is outstanding and (ii) the terms of the Series D Non-Cumulative Perpetual Preferred Stock, Series E Non-Cumulative Perpetual Preferred Stock and Series F Non-Cumulative Perpetual Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Articles of Amendment that initially established the Series G Preferred Stock.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series G Preferred Stock, (ii) any proposed change in those laws or regulations that is announced after the initial issuance of any share of Series G Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of any share of Series G Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of the shares of Series G Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Appropriate Federal Banking Agency, as then in effect and applicable, for as long as any share of Series G Preferred Stock is outstanding.

"Series G Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series G Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series G Preferred Stock, and no more, payable quarterly in arrears on each March 1, June 1, September 1 and December 1; *provided, however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series G Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series G Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to 5.200%. The record date for payment of dividends on the Series G

Preferred Stock shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series G Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series G Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series G Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period and the Corporation shall have no obligation to pay, and the holders of Series G Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series G Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series G Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series G Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series G Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series G Preferred Stock and any Parity Stock, all dividends declared upon shares of Series G Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series G Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series G Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series G Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the

Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series G Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series G Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series G Preferred Stock upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. The holder of Series G Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series G Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series G Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series G Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series G Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series G Preferred Stock at the time outstanding, on or after June 1, 2018, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series G Preferred Stock shall be $25,000 per share plus dividends that have been

declared but not paid (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of intent to redeem, as provided in Section (b) below, all (but not less than all) of the shares of Series G Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series G Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series G Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series G Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series G Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series G Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such holder; (iii) the Redemption Price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series G Preferred Stock at the time outstanding, the shares of Series G Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series G Preferred Stock in proportion to the number of Series G Preferred Stock held by such holders or by lot or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series G Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called

for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series G Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series G Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the articles of incorporation or of any articles amendatory thereof or supplemental thereto (including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series G Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series G Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series G Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series G Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series G Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series G Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation.

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series G Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series G Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series G Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends is a "Preferred Director".

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series G Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series G Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series G Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series G Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series G Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series G Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial

election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series G Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series G Preferred Stock and any other class or series of preferred stock that ranks on parity with Series G Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series G Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series G Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series G Preferred Stock shall not have any rights to convert such Series G Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series G Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series G Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series G Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided*, *however*, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series G Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series G Preferred Stock are not subject to the operation of a sinking fund.

(i) Series H Non-Cumulative Perpetual Preferred Stock.

Section 1. Designation. The designation of the series of preferred stock shall be Series H Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series H Preferred Stock"). Each share of Series H Preferred Stock shall be identical in all respects to every other share of Series H Preferred Stock. Series H Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series H Preferred Stock shall be 19,550. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series H Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series H Preferred Stock.

Section 3. Definitions. As used herein with respect to Series H Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Winston-Salem, North Carolina.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series H Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks on parity with Series H Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series D Non-Cumulative Perpetual Preferred Stock, Series E Non-Cumulative Perpetual Preferred Stock, Series F Non-Cumulative Perpetual Preferred Stock and Series G Non-Cumulative Perpetual Preferred Stock for so long as (i) any Series D Non-Cumulative Perpetual

Preferred Stock, Series E Non-Cumulative Perpetual Preferred Stock, Series F Non-Cumulative Perpetual Preferred Stock and Series G Non-Cumulative Perpetual Preferred Stock is outstanding and (ii) the terms of the Series D Non-Cumulative Perpetual Preferred Stock, Series E Non-Cumulative Perpetual Preferred Stock, Series F Non-Cumulative Perpetual Preferred Stock and Series G Non-Cumulative Perpetual Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Articles of Amendment that initially established the Series H Preferred Stock.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series H Preferred Stock, (ii) any proposed change in those laws or regulations that is announced after the initial issuance of any share of Series H Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of any share of Series H Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of the shares of Series H Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Appropriate Federal Banking Agency, as then in effect and applicable, for as long as any share of Series H Preferred Stock is outstanding.

"Series H Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series H Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series H Preferred Stock, and no more, payable quarterly in arrears on each March 1, June 1, September 1 and December 1; *provided*, *however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series H Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series H Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate *per annum* equal to 5.625%. The record date for payment of dividends on the Series H Preferred Stock shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series H Preferred Stock shall not be declared, paid or set

aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series H Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series H Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period and the Corporation shall have no obligation to pay, and the holders of Series H Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series H Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series H Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series H Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series H Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series H Preferred Stock and any Parity Stock, all dividends declared upon shares of Series H Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series H Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series H Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series H Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series H Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series H Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series H Preferred Stock upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. The holder of Series H Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series H Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series H Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series H Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series H Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series H Preferred Stock at the time outstanding, on or after June 1, 2021, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series H Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of intent to redeem, as provided in Section (b) below, all (but not less than all) of the shares of Series H

Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series H Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series H Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series H Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series H Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series H Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such holder; (iii) the Redemption Price; (iv) the place or places where such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series H Preferred Stock at the time outstanding, the shares of Series H Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series H Preferred Stock in proportion to the number of Series H Preferred Stock held by such holders or by lot. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series H Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled

to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series H Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series H Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the articles of incorporation or of any articles amendatory thereof or supplemental thereto (including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series H Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series H Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series H Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series H Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series H Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series H Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation;

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series H Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series H Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the

Series H Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series H Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series H Preferred Stock as to payment of dividends is a "Preferred Director".

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series H Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series H Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series H Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series H Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series H Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series H Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series H Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series H Preferred Stock and any other class or series of preferred stock that ranks on parity with Series H Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series H Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series H Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series H Preferred Stock shall not have any rights to convert such Series H Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series H Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series H Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series H Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided*, *however*, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series H Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series H Preferred Stock are not subject to the operation of a sinking fund.

(j) Series I Preferred Stock. There shall be a series of the Preferred Stock with the following terms, preferences, limitations, and relative rights, in addition to those otherwise expressed in these Articles of Incorporation or any amendment thereto.

Section 1. Designation. The distinctive designation of such series is "Perpetual Preferred Stock, Series I" ("Series I Preferred Stock").

Section 2. Number of Shares. The number of shares of Series I Preferred Stock shall be 5,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock that have not been designated as another series of Preferred Stock) or decreased (but not below the number of shares of Series I Preferred Stock then outstanding) by the Board of Directors.

Section 3. Definitions. As used herein with respect to the Series I Preferred Stock:

"3-Month LIBOR" means, with respect to any Dividend Period, the rate (expressed as a percentage per annum) for deposits in U.S. dollars for a 3-month period commencing on the first day of that Dividend Period that appears on Reuters screen page "LIBOR01" at approximately 11:00 a.m., London time, on the Dividend Determination Date for that Dividend Period. If such rate does not appear on Reuters screen page "LIBOR01", 3-Month LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for a 3-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent, at approximately 11:00 a.m., London time, on the Dividend Determination Date for that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, 3-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of such quotations. If fewer than two quotations are provided, 3-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of the rates quoted by three major banks in New York City selected by the Calculation Agent, at approximately 11:00 a.m., New York City time, on the first day of that Dividend Period for loans in U.S. dollars to leading European banks for a 3-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000. However, if fewer than three New York City banks selected by the Calculation Agent to provide quotations are quoting as described above, 3-Month LIBOR for that Dividend Period will be the same as 3-Month LIBOR as determined for the previous Dividend Period. The establishment of 3-Month LIBOR for each Dividend Period by the Calculation Agent shall (in the absence of manifest error) be final and binding.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in the City of New York are not authorized or obligated by law, regulation or executive order to close.

"Calculation Agent" means U.S. Bank National Association or its successor appointed by the Corporation, acting as calculation agent.

"Dividend Determination Date" means the second London Banking Day immediately preceding the first day of the relevant Dividend Period.

"Dividend Parity Stock" has the meaning assigned to such term in Section 4(a)(v)(B).

"Dividend Payment Date" has the meaning assigned to such term in Section 4(a)(i).

"Dividend Period" means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date (except that the first Dividend Period (i) for the initial issuance of Series I Preferred Stock shall commence upon (and include) December 15, 2019 and (ii) for Series I Preferred Stock issued after the Issue Date, shall commence upon (and include) the applicable Start Date).

"Dividend Rate" means a rate per annum equal to the greater of (1) 0.53% above 3-Month LIBOR on the related Dividend Determination Date or (2) 4.00%.

"Issue Date" means the initial date of delivery of shares of Series I Preferred Stock.

"Junior Stock" means the Common Stock and any other class or series of stock of the Corporation hereafter authorized over which Series I Preferred Stock has preference in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Liquidation Event" has the meaning assigned to such term in Section 6(a).

"London Banking Day" means any day on which commercial banks are open for general business (including dealings in deposits in U.S. dollars) in London.

"Person" means any individual, corporation, partnership, joint venture, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock Directors" has the meaning assigned to such term in Section 7(b)(i).

"Start Date" means, for each share of Series I Preferred Stock, (x) December 15, 2019, if such share was issued on the Issue Date, (y) if such share was not issued on the Issue Date, the date of issue, if issued on a Dividend Payment Date, or (z) otherwise, the most recent Dividend Payment Date preceding the date of issue of such share.

"Voting Parity Stock" has the meaning assigned to such term in Section 7(b)(i).

Section 4. Dividends.

(a) General.

(i) Dividend Payment Dates, Dividend Rate, Etc. Holders of Series I Preferred Stock shall be entitled to receive, only when, as and if declared by the Board of Directors, or a duly authorized committee of the Board of Directors, but only out of funds legally available therefor, cash dividends computed in accordance with Section 4(a)(iii) and payable quarterly on the 15th day of each March, June, September and December in each year (each such date a "Dividend Payment Date"), commencing on March 15, 2020, to holders of record on the respective date fixed for that purpose by the Board of Directors or such committee in advance of payment of each particular dividend.

(ii) Business Day Convention. If a day that would otherwise be a Dividend Payment Date is not a Business Day, then the first Business Day following such day shall be the applicable Dividend Payment Date.

(iii) Dividend Computation. The amount of the dividend computed per share of Series I Preferred Stock on each Dividend Payment Date will be equal to the

Dividend Rate in effect for such Dividend Period, multiplied by a fraction, the numerator of which is the actual number of days in such Dividend Period and the denominator of which shall be 360, and then multiplied by $100,000 (with the result of such calculation rounded upward if necessary to the nearest .00001 of 1%).

(iv) Dividend Payment Dates for Other Preferred Stock. For so long as any shares of Series I Preferred Stock are outstanding, the Corporation shall not issue any shares of Preferred Stock having any dividend payment date that is not also a Dividend Payment Date for the Series I Preferred Stock.

(v) Priority of Dividends.

(A) So long as any of the shares of the Series I Preferred Stock is outstanding, (1) no dividends (other than (y) dividends payable on Junior Stock in Junior Stock and (z) cash in lieu of fractional shares in connection with any such dividend) shall be paid or declared, in cash or otherwise, nor shall any other distribution be made, on the Common Stock or on any other Junior Stock and (2) the Corporation shall not purchase, redeem or acquire for consideration any Junior Stock or shares of any other series of Preferred Stock, unless, in either case (1) or (2), on the payment date for such dividend, purchase, redemption, or other acquisition, (y) the Corporation shall not be in default on its obligation to redeem any of the shares of its Series I Preferred Stock called for redemption and (z) dividends in an amount computed in accordance with Section 4(a)(iii) for each share of Series I Preferred Stock as of the Dividend Payment Date for the then current Dividend Period have been paid or declared and funds set aside therefore.

(B) On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, on the Series I Preferred Stock and on any other class or series of Preferred Stock of the Corporation ranking on a parity with Series I Preferred Stock as to payment of dividends (any such class or series being herein referred to as "Dividend Parity Stock"), all dividends paid or declared for payment on that Dividend Payment Date with respect to the Series I Preferred Stock and any Dividend Parity Stock shall be shared (1) first ratably by the holders of such shares, if any, who have the right to receive dividends with respect to dividend periods prior to the then current Dividend Period (which shall not include the Series I Preferred Stock) but for which such dividends were not declared and paid, in proportion to the respective amounts of such undeclared or unpaid dividends relating to prior Dividend Periods, and (2) thereafter by the holders of shares of Series I Preferred Stock and Dividend Parity Stock on a *pro rata* basis.

Section 5. Redemption.

(a) Redemption.

(i) Subject to the further terms and conditions provided herein, the Corporation, at the option of the Board of Directors or a duly authorized committee of the Board of Directors, may, upon notice given as provided in Section 5(b), redeem shares of

the Series I Preferred Stock at the time outstanding in whole or in part at any time on or after December 15, 2024.

(ii) The redemption price per share of Series I Preferred Stock shall be cash in an amount equal to $100,000 plus an amount equal to (A) any declared and unpaid dividends for any prior Dividend Periods plus (B) any declared and unpaid dividends for the Dividend Period in which the redemption date occurs (if applicable) multiplied by a fraction, the numerator of which is the number of days in such Dividend Period prior to the redemption date, and the denominator of which is the total number of days in such Dividend Period.

(iii) The Series I Preferred Stock will not be subject to any sinking fund or other obligation of the Corporation to redeem, repurchase or retire the Shares.

(b) Notice of Redemption. Notice of every redemption of shares of Series I Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, and failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series I Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series I Preferred Stock. Notwithstanding the foregoing, if the Series I Preferred Stock or any depositary shares representing interests in the Series I Preferred Stock are issued in book-entry form through The Depositary Trust Company or any other similar facility, notice of redemption may be given to the holders of Series I Preferred Stock at such time and in any manner permitted by such facility. Each notice shall state (i) the redemption date; (ii) the number of shares of Series I Preferred Stock to be redeemed and, if less than all the shares held by the holder are to be redeemed, the number of shares to be redeemed from the holder; (iii) the redemption price; and (iv) the place or places where the shares of Series I Preferred Stock are to be redeemed.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series I Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Board of Directors or such committee shall have full power and authority to prescribe the terms and conditions upon which shares of Series I Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted

by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 6. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation (each a "Liquidation Event"), after payment or provision for payment of debts and other liabilities of the Corporation and before any distribution to the holders of shares of Common Stock or any other Junior Stock, the holders of Series I Preferred Stock shall be entitled to receive the following out of the net assets of the Corporation, for each share of Series I Preferred Stock: an amount equal to $100,000 plus an amount equal to (i) any declared and unpaid dividends for any prior Dividend Periods plus (ii) any declared and unpaid dividends for the Dividend Period in which the Liquidation Event occurs (if applicable) multiplied by a fraction, the numerator of which is the number of days in such Dividend Period prior to the date of the Liquidation Event, and the denominator of which is the total number of days in such Dividend Period.

(b) Partial Payment. If the assets of the Corporation are insufficient to permit the payment of the full preferential amounts payable in connection with a Liquidation Event to the holders of the Series I Preferred Stock and any other series of Preferred Stock ranking on a parity with the Series I Preferred Stock as to the distribution of assets upon a Liquidation Event, then the assets available for distribution to holders of shares of the Series I Preferred Stock and each such other series of Preferred Stock as to the distribution of assets upon liquidation shall be distributed ratably to the holders of shares of the Series I Preferred Stock and each such other series of Preferred Stock in proportion to the full preferential amounts payable on their respective shares upon the Liquidation Event.

(c) Merger, Consolidation and Sale of Assets Not Liquidation. Neither the sale, conveyance, exchange or transfer of all or substantially all the property and assets of the Corporation, the consolidation or merger of the Corporation with or into any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 6.

Section 7. Voting Rights.

(a) General. The holders of Series I Preferred Stock shall not have any voting rights except as set forth in this Section 7 or as otherwise required by law.

(b) Right to Elect Two Directors Upon Non-Payment of Dividends.

(i) If and whenever dividends on Series I Preferred Stock and any other class or series of Preferred Stock of the Corporation ranking on a parity with Series I Preferred Stock as to payment of dividends and having voting rights equivalent to those provided in this Section 7(b) for the Series I Preferred Stock (any such class or series being herein referred to as "Voting Parity Stock") have not been declared and paid in an aggregate amount, as to any such class or series, equal to at least six quarterly dividends (whether or not consecutive) computed in accordance with Section 4(a)(iii) in the case of

the Series I Preferred Stock, and computed in accordance with the terms thereof in the case of any Voting Parity Stock, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series I Preferred Stock, together with the holders of all other affected classes and series of Voting Parity Stock similarly entitled to vote for the election of a total of two additional directors, voting separately as a single class, shall be entitled to elect the two additional members of the Corporation's Board of Directors (the "Preferred Stock Directors") at any annual meeting of shareholders or any special meeting of the holders of Series I Preferred Stock and such Voting Parity Stock for which dividends have not been paid, called as hereinafter provided, but only if the election of any Preferred Stock Directors would not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or any other exchange on which its securities may be listed) that listed companies must have a majority of independent directors. The Board of Directors shall at no time have more than two Preferred Stock Directors.

(ii) At any time after the voting power provided for in the Section 7 shall have been vested in the holders of Series I Preferred Stock and any Voting Parity Stock, the Secretary of the Corporation may, and upon the written request of holders of record of at least 20% of the outstanding shares of Series I Preferred Stock and any class or series of Voting Parity Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of shares of Series I Preferred Stock and such Voting Parity Stock having such voting rights, for the election of the Preferred Stock Directors, such call to be made by notice similar to that provided in the bylaws for a special meeting of the shareholders or as required by law. If any such special meeting so required to be called shall not be called by the Secretary within 20 days after receipt of any such request, then any holder of shares of Series I Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as herein provided, and for that purpose shall have access to the shareholder records of the Corporation. The Preferred Stock Directors elected at any such special meeting shall hold office until the next annual meeting of the shareholders if such office shall not have previously terminated as below provided. In case any vacancy shall occur among the Preferred Stock Directors, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the shareholders upon the nomination of the then remaining Preferred Stock Directors or, if no Preferred Stock Director remains in office, by the vote of the holders of record of a majority of the outstanding shares of Series I Preferred Stock and such Voting Parity Stock for which dividends have not been paid, voting as a single class.

(iii) Whenever (A) all dividends on any cumulative Voting Parity Stock have been paid in full, (B) full dividends computed in accordance with Section 4(a)(iii) have been paid on the applicable Dividend Payment Dates on the Series I Preferred Stock for at least one year and (C) full dividends on any non-cumulative Voting Parity Stock then outstanding have been paid in accordance with the terms thereof for at least one year, then the right of the holders of Series I Preferred Stock and such Voting Parity Stock to elect such Preferred Stock Directors shall cease (but subject always to the same provisions for the vesting of such voting rights in the case of any similar non-payment of

dividends in respect of future Dividend Periods), and the terms of office of all Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly.

(c) Other Voting Rights.

(i) So long as any shares of Series I Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series I Preferred Stock outstanding at the time (voting separately as a class): (A) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock of the Corporation ranking senior to the Series I Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized shares of capital stock of the Corporation into any such shares, or (B) amend, alter or repeal the provisions of these Articles of Incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series I Preferred Stock or the holders thereof; provided, however, that with respect to the occurrence of any event set forth in clause (B) above, so long as any shares of the Series I Preferred Stock remain outstanding with the terms thereof materially unchanged or new shares of the surviving corporation or entity are issued with the same terms as the Series I Preferred Stock, in each case taking into account that upon the occurrence of an event the Corporation may not be the surviving entity, the occurrence of any such event shall not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Series I Preferred Stock or the holders thereof, and provided, further, that (A) any increase in the amount of the authorized Common Stock or Preferred Stock or the creation or issuance of any Junior Stock or Preferred Stock ranking on a parity with the Series I Preferred Stock with respect to payment of dividends or distribution of assets upon liquidation, dissolution or winding up, and (B) any change to the number of directors or number of classes of directors, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

(ii) On any matter on which the holders of the Series I Preferred Stock shall be entitled to vote (as provided herein or by applicable law), including any action by written consent, each share of Series I Preferred Stock shall have one vote per share.

(iii) The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series I Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Corporation for the benefit of the holders of Series I Preferred Stock to effect such redemption.

Section 8. Other Rights. The shares of Series I Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Articles of Incorporation.

(k) Series J Preferred Stock. There shall be a series of the Preferred Stock with the following terms, preferences, limitations, and relative rights, in addition to those otherwise expressed in these Articles of Incorporation or any amendment thereto.

Section 1. Designation. The distinctive designation of such series is "Perpetual Preferred Stock, Series J" ("Series J Preferred Stock").

Section 2. Number of Shares. The number of shares of Series J Preferred Stock shall be 5,010. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock that have not been designated as another series of Preferred Stock) or decreased (but not below the number of shares of Series J Preferred Stock then outstanding) by the Board of Directors.

Section 3. Definitions. As used herein with respect to the Series J Preferred Stock:

"3-Month LIBOR" means, with respect to any Dividend Period, the rate (expressed as a percentage per annum) for deposits in U.S. dollars for a 3-month period commencing on the first day of that Dividend Period that appears on Reuters screen page "LIBOR01" at approximately 11:00 a.m., London time, on the Dividend Determination Date for that Dividend Period. If such rate does not appear on Reuters screen page "LIBOR01", 3-Month LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for a 3-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent, at approximately 11:00 a.m., London time, on the Dividend Determination Date for that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, 3-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of such quotations. If fewer than two quotations are provided, 3-Month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest .00001 of 1%) of the rates quoted by three major banks in New York City selected by the Calculation Agent, at approximately 11:00 a.m., New York City time, on the first day of that Dividend Period for loans in U.S. dollars to leading European banks for a 3-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1,000,000. However, if fewer than three New York City banks selected by the Calculation Agent to provide quotations are quoting as described above, 3- Month LIBOR for that Dividend Period will be the same as 3-Month LIBOR as determined for the previous Dividend Period. The establishment of 3-Month LIBOR for each Dividend Period by the Calculation Agent shall (in the absence of manifest error) be final and binding.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in Atlanta, Georgia, New York, New York or Wilmington, Delaware are not authorized or obligated by law, regulation or executive order to close.

"Calculation Agent" means U.S. Bank National Association or its successor appointed by the Corporation, acting as calculation agent.

"Dividend Determination Date" means the second London Banking Day immediately preceding the first day of the relevant Dividend Period.

"Dividend Factor" means a fraction, the numerator of which is the actual number of days in such Dividend Period and the denominator of which is 360.

"Dividend Parity Stock" has the meaning assigned to such term in Section 4(a)(v)(B).

"Dividend Payment Date" has the meaning assigned to such term in Section 4(a)(i).

"Dividend Period" means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date (except that the first Dividend Period (i) for the initial issuance of Series J Preferred Stock shall commence upon (and include) December 15, 2019 and (ii) for Series J Preferred Stock issued after the Issue Date, shall commence upon (and include) the applicable Start Date).

"Dividend Rate" means (i) to but not including the Dividend Payment date in December 2011 a rate per annum equal to 5.853% and (ii) thereafter a rate per annum equal to the greater of (1) 0.645% above 3-Month LIBOR on the related Dividend Determination Date or (2) 4.000%.

"Issue Date" means the initial date of delivery of shares of Series J Preferred Stock.

"Junior Stock" means the Common Stock and any other class or series of stock of the Corporation hereafter authorized over which Series J Preferred Stock has preference in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Liquidation Event" has the meaning assigned to such term in Section 6(a).

"London Banking Day" means any day on which commercial banks are open for general business (including dealings in deposits in U.S. dollars) in London.

"Person" means any individual, corporation, partnership, joint venture, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock Directors" has the meaning assigned to such term in Section 7(b).

"Start Date" means, for each share of Series J Preferred Stock, (x) December 15, 2019, if such share was issued on the Issue Date, (y) if such share was not issued on the Issue Date, the date of issue, if issued on a Dividend Payment Date, or (z) otherwise, the most recent Dividend Payment Date preceding the date of issue of such share.

"Voting Parity Stock" has the meaning assigned to such term in Section 7(b).

Section 4. Dividends.

(a) General.

(i) Dividend Payment Dates, Dividend Rate, Etc. Holders of Series J Preferred Stock shall be entitled to receive, only when, as and if declared by the Board of Directors, or a duly authorized committee of the Board of Directors, but only out of funds legally available therefor, cash dividends computed in accordance with Section 4(a)(iii) and payable quarterly on the 15th day of each March, June, September and December in each year (each such date a "Dividend Payment Date"), to holders of record on the

respective date fixed for that purpose by the Board of Directors or such committee in advance of payment of each particular dividend.

(ii) Business Day Convention. If a day that would otherwise be a Dividend Payment Date is not a Business Day, then the first Business Day following such day shall be the applicable Dividend Payment Date.

(iii) Dividend Computation. The amount of the dividend computed per share of Series J Preferred Stock on each Dividend Payment Date will be equal to the Dividend Rate in effect for such Dividend Period, multiplied by the Dividend Factor, and then multiplied by $100,000 (with the result of such calculation rounded upward if necessary to the nearest .00001 of 1%).

(iv) Dividend Payment Dates for Other Preferred Stock. For so long as any shares of Series J Preferred Stock are outstanding, the Corporation shall not issue any shares of Preferred Stock having any dividend payment date that is not also a Dividend Payment Date for the Series J Preferred Stock.

(v) Priority of Dividends.

(A) So long as any of the shares of the Series J Preferred Stock is outstanding, (1) no dividends (other than (y) dividends payable on Junior Stock in Junior Stock and (z) cash in lieu of fractional shares in connection with any such dividend) shall be paid or declared, in cash or otherwise, nor shall any other distribution be made, on the Common Stock or on any other Junior Stock and (2) the Corporation shall not purchase, redeem or otherwise acquire for consideration any Junior Stock or shares of any other series of Preferred Stock, unless, in either case (1) or (2), on the payment date for such dividend, purchase, redemption, or other acquisition, (y) the Corporation shall not be in default on its obligation to redeem any of the shares of its Series J Preferred Stock called for redemption and (z) dividends in an amount computed in accordance with Section 4(a)(iii) for each share of Series J Preferred Stock as of the Dividend Payment Date for the then current Dividend Period have been paid or declared and funds set aside therefore.

(B) On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, on the Series Preferred Stock and on any other class or series of Preferred Stock of the Corporation ranking on a parity with Series J Preferred Stock as to payment of dividends (any such class or series being herein referred to as "Dividend Parity Stock"), all dividends paid or declared for payment on that Dividend Payment Date with respect to the Series J Preferred Stock and any Dividend Parity Stock shall be shared (1) first ratably by the holders of such shares, if any, who have the right to receive dividends with respect to dividend periods prior to the then current Dividend Period (which shall not include the Series J Preferred Stock) but for which such dividends were not declared and paid, in proportion to the respective amounts of such undeclared or unpaid dividends relating to prior Dividend Periods, and (2) thereafter by the

holders of shares of Series J Preferred Stock and Dividend Parity Stock on a *pro rata* basis.

Section 5. Redemption.

(a) Redemption.

(i) Subject to the further terms and conditions provided herein, the Corporation, at the option of the Board of Directors or a duly authorized committee of the Board of Directors, may, upon notice given as provided in Section 5(b), redeem shares of the Series J Preferred Stock at the time outstanding in whole or in part at any time on or after the later of December 15, 2024 and the Issue Date of the Series J Preferred Stock.

(ii) The redemption price per share of Series J Preferred Stock shall be cash in an amount equal to $100,000 plus an amount equal to (A) any declared and unpaid dividends for any prior Dividend Periods plus (B) any declared and unpaid dividends for the Dividend Period in which the redemption date occurs (if applicable) multiplied by a fraction, the numerator of which is the number of days in such Dividend Period prior to the redemption date, and the denominator of which is the total number of days in such Dividend Period.

(iii) The Series J Preferred Stock will not be subject to any sinking fund or other obligation of the Corporation to redeem, repurchase or retire the Shares.

(b) Notice of Redemption. Notice of every redemption of shares of Series J Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, and failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series J Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series J Preferred Stock. Notwithstanding the foregoing, if the Series J Preferred Stock or any depositary shares representing interests in the Series J Preferred Stock are issued in book-entry form through The Depositary Trust Company or any other similar facility, notice of redemption may be given to the holders of Series J Preferred Stock at such time and in any manner permitted by such facility. Each notice shall state (i) the redemption date; (ii) the number of shares of Series J Preferred Stock to be redeemed and, if less than all the shares held by the holder are to be redeemed, the number of shares to be redeemed from the holder; (iii) the redemption price; and (iv) the place or places where the shares of Series J Preferred Stock are to be redeemed.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series J Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Board of Directors or such committee shall have full power and authority to prescribe the terms and conditions upon which shares of Series J Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 6. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation (each a "Liquidation Event"), after payment or provision for payment of debts and other liabilities of the Corporation and before any distribution to the holders of shares of Common Stock or any other Junior Stock, the holders of Series J Preferred Stock shall be entitled to receive the following out of the net assets of the Corporation, for each share of Series J Preferred Stock: an amount equal to $100,000 plus an amount equal to (i) any declared and unpaid dividends for any prior Dividend Periods plus (ii) any declared and unpaid dividends for the Dividend Period in which the Liquidation Event occurs (if applicable) multiplied by a fraction, the numerator of which is the number of days in such Dividend Period prior to the date of the Liquidation Event, and the denominator of which is the total number of days in such Dividend Period.

(b) Partial Payment. If the assets of the Corporation are insufficient to permit the payment of the full preferential amounts payable in connection with a Liquidation Event to the holders of the Series J Preferred Stock and any other series of Preferred Stock ranking on a parity with the Series J Preferred Stock as to the distribution of assets upon a Liquidation Event, then the assets available for distribution to holders of shares of the Series J Preferred Stock and each such other series of Preferred Stock as to the distribution of assets upon liquidation shall be distributed ratably to the holders of shares of the Series J Preferred Stock and each such other series of Preferred Stock in proportion to the full preferential amounts payable on their respective shares upon the Liquidation Event.

(c) Merger, Consolidation and Sale of Assets Not Liquidation. Neither the sale, conveyance, exchange or transfer of all or substantially all the property and assets of the Corporation, the consolidation or merger of the Corporation with or into any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 6.

Section 7. Voting Rights.

(a) General. The holders of Series J Preferred Stock shall not have any voting rights except as set forth in this Section 7 or as otherwise required by law.

(b) Right to Elect Two Directors Upon Non-Payment of Dividends.

(i) If and whenever dividends on Series J Preferred Stock and any other class or series of Preferred Stock of the Corporation ranking on a parity with Series J Preferred Stock as to payment of dividends and having voting rights equivalent to those provided in this Section 7(b) for the Series J Preferred Stock (any such class or series being herein referred to as "Voting Parity Stock") have not been declared and paid in an aggregate amount, as to any such class or series, equal to at least six quarterly dividends (whether or not consecutive) computed in accordance with Section 4(a)(iii) in the case of the Series J Preferred Stock, and computed in accordance with the terms thereof in the case of any Voting Parity Stock, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series J Preferred Stock, together with the holders of all other affected classes and series of Voting Parity Stock similarly entitled to vote for the election of a total of two additional directors, voting separately as a single class, shall be entitled to elect the two additional members of the Corporation's Board of Directors (the "Preferred Stock Directors") at any annual meeting of shareholders or any special meeting of the holders of Series J Preferred Stock and such Voting Parity Stock for which dividends have not been paid, called as hereinafter provided, but only if the election of any Preferred Stock Directors would not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or any other exchange on which its securities may be listed) that listed companies must have a majority of independent directors. The Board of Directors shall at no time have more than two Preferred Stock Directors.

(ii) At any time after the voting power provided for in the Section 7 shall have been vested in the holders of Series J Preferred Stock and any Voting Parity Stock, the Secretary of the Corporation may, and upon the written request of holders of record of at least 20% of the outstanding shares of Series J Preferred Stock and any class or series of Voting Parity Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of shares of Series J Preferred Stock and such Voting Parity Stock having such voting rights, for the election of the Preferred Stock Directors, such call to be made by notice similar to that provided in the bylaws for a special meeting of the shareholders or as required by law. If any such special meeting so required to be called shall not be called by the Secretary within 20 days after receipt of any such request, then any holder of shares of Series J Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as herein provided, and for that purpose shall have access to the shareholder records of the Corporation. The Preferred Stock Directors elected at any such special meeting shall hold office until the next annual meeting of the shareholders if such office shall not have previously terminated as below provided. In case any vacancy shall occur among the Preferred Stock Directors, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the shareholders upon the nomination of the then remaining Preferred Stock Directors or, if no Preferred Stock Director remains in office,

by the vote of the holders of record of a majority of the outstanding shares of Series J Preferred Stock and such Voting Parity Stock for which dividends have not been paid, voting as a single class.

(iii) Whenever (A) all dividends on any cumulative Voting Parity Stock have been paid in full, (B) full dividends computed in accordance with Section 4(a)(iii) have been paid on the applicable Dividend Payment Dates on the Series J Preferred Stock for at least one year and (C) full dividends on any non-cumulative Voting Parity Stock then outstanding have been paid in accordance with the terms thereof for at least one year, then the right of the holders of Series J Preferred Stock and such Voting Parity Stock to elect such Preferred Stock Directors shall cease (but subject always to the same provisions for the vesting of such voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods), and the terms of office of all Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly.

(c) Other Voting Rights.

(i) So long as any shares of Series J Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series J Preferred Stock outstanding at the time (voting separately as a class): (A) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock of the Corporation ranking senior to the Series J Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized shares of capital stock of the Corporation into any such shares, or (B) amend, alter or repeal the provisions of these Articles of Incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series J Preferred Stock or the holders thereof; provided, however, that with respect to the occurrence of any event set forth in clause (B) above, so long as any shares of the Series J Preferred Stock remain outstanding with the terms thereof materially unchanged or new shares of the surviving corporation or entity are issued with the same terms as the Series J Preferred Stock, in each case taking into account that upon the occurrence of an event the Corporation may not be the surviving entity, the occurrence of any such event shall not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Series J Preferred Stock or the holders thereof, and provided, further, that (A) any increase in the amount of the authorized Common Stock or Preferred Stock or the creation or issuance of any Junior Stock or Preferred Stock ranking on a parity with the Series J Preferred Stock with respect to payment of dividends or distribution of assets upon liquidation, dissolution or winding up, and (B) any change to the number of directors or number of classes of directors, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

(ii) On any matter on which the holders of the Series J Preferred Stock shall be entitled to vote (as provided herein or by applicable law), including any action by written consent, each share of Series J Preferred Stock shall have one vote per share.

(iii) The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series J Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Corporation for the benefit of the holders of Series J Preferred Stock to effect such redemption.

Section 8. Other Rights. The shares of Series J Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Articles of Incorporation.

(l) Series K Preferred Stock. There shall be a series of the Preferred Stock with the following terms, preferences, limitations, and relative rights, in addition to those otherwise expressed in these Articles of Incorporation or any amendment thereto,

Section 1. Designation. The distinctive designation of such series is "Perpetual Preferred Stock, Series K" ("Series K Preferred Stock").

Section 2. Number of Shares. The total authorized number of shares of Series K Preferred Stock shall be 5,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock that have not been designated as another series of Preferred Stock) or decreased (but not below the number of shares of Series K Preferred Stock then outstanding) by the Board of Directors.

Section 3. Definitions. As used herein with respect to the Series K Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act, as amended (12 U.S.C. § 1813(q)), or any successor provision.

"Business Day" means any weekday that is not a legal holiday in New York, New York and is not a day in which banking institutions in New York, New York are not authorized or obligated by law, regulation or executive order to close.

"Calculation Agent" means U.S. Bank National Association or its successor appointed by the Corporation, acting as calculation agent.

"Dividend Determination Date" means the second London Banking Day prior to the beginning of the Dividend Period.

"Dividend Parity Stock" has the meaning assigned to such term in Section 4(a)(iv)(B).

"Dividend Payment Date" has the meaning assigned to such term in Section 4(a)(i).

"Dividend Period" means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date (except that the first Dividend Period for the initial issuance of 5,000 Shares of Series K Preferred Stock shall commence upon (and include) December 15, 2019).

"Fixed Rate Period" means each Dividend Period from first Dividend Period to, but excluding, December 15, 2019.

"Floating Rate Period" means each Dividend Period from December 15, 2019 to, and including, the redemption date of the Series K Preferred Stock, if any.

"Issue Date" means the initial date of delivery of shares of Series K Preferred Stock.

"Junior Stock" means the Common Stock and any other class or series of stock of the Corporation hereafter authorized over which Series K Preferred Stock has preference in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Liquidation Event" has the meaning assigned to such term in Section 6(a).

"London Banking Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

"Person" means any individual, corporation, partnership, joint venture, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock Directors" has the meaning assigned to such term in Section 7(b)(i).

"Regulatory Capital Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, clarification of, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of the Series K Preferred Stock, (ii) any proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of any share of the Series K Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series K Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $100,000 per share of the Series K Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines or regulations promulgated by the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of the Series K Preferred Stock is outstanding.

"Three Month LIBOR" means the London interbank offered rate for deposits in U.S. dollars having an index maturity of three months in amounts of at least $1,000,000, as that rate appears on Reuters screen page "LIBOR01" at approximately 11:00 a.m., London time, on the relevant Dividend Determination Date. If no offered rate appears on Reuters screen page "LIBOR01" on the relevant Dividend Determination Date at approximately 11:00 a.m., London time, then the Calculation Agent, after consultation with the Corporation, will select four major banks in the London interbank market and will request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least $1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time, that is representative of single transactions at that time. If at least two quotations are provided, Three Month LIBOR will be the arithmetic average (rounded upward, if necessary, to the nearest .00001 of 1%) of the quotations provided. Otherwise, the Calculation

Agent will select three major banks in New York City and will request each of them to provide a quotation of the rate offered by it at approximately 11:00 a.m., New York City time, on the Dividend Determination Date for loans in U.S. dollars to leading European banks having an index maturity of three months for the applicable Dividend Period in an amount of at least $1,000,000 that is representative of single transactions at that time. If three quotations are provided, Three Month LIBOR will be the arithmetic average (rounded upward, if necessary, to the nearest .00001 of 1%) of the quotations provided. Otherwise, Three Month LIBOR for the next Dividend Period will be equal to Three Month LIBOR in effect for the then-current Dividend Period. The establishment of Three Month LIBOR for each Dividend Period by the Calculation Agent shall (in the absence of manifest error) be final and binding.

"Voting Parity Stock" has the meaning assigned to such term in Section 7(b)(i).

Section 4. Dividends.

(a) General.

(i) Dividend Payment Dates, Dividend Rate, Etc. Holders of Series K Preferred Stock shall be entitled to receive, only when, as and if declared by the Board of Directors, or a duly authorized committee of the Board of Directors, but only out of funds legally available therefor, cash dividends at a rate equal to (A) 5.625% per annum for each Fixed Rate Period and (B) Three Month LIBOR plus a spread of 3.86% per annum, for each Floating Rate Period, in each case computed in accordance with Section 4(a)(iii) and payable (each such date a "Dividend Payment Date") (1) during the Fixed Rate Period, semi-annually, in arrears on June 15 and December 15 of each year and (2) during the Floating Rate Period, quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year beginning on March 15, 2020, to holders of record on the respective date fixed for that purpose by the Board of Directors or such committee in advance of payment of each particular dividend.

(**ii) Business Day Convention.** If a day on or before December 15, 2019 that would otherwise be a Dividend Payment Date is not a Business Day, then such date will nevertheless be a Dividend Payment Date but dividends on the Series K Preferred Stock, when, as and if declared, will be paid on the next succeeding Business Day (without adjustment in the amount of the dividend per share of the Series K Preferred Stock). If a day after December 15, 2019 that would otherwise be a Dividend Payment Date is not a Business Day, then the next succeeding Business Day will be the applicable Dividend Payment Date and dividends, when, as and if declared, will be paid on such next succeeding Business Day.

(iii) Dividend Computation. The amount of the dividend computed per share of Series K Preferred Stock for the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of the dividend computed per share of Series K Preferred Stock for the Floating Rate Period will be computed based on the actual number of days in a dividend period and a 360-day year.

(iv) Priority Regarding Dividends.

(A) So long as any of the shares of the Series K Preferred Stock is outstanding, (1) no dividends shall be paid or declared, in cash or otherwise, nor shall any other distribution be made, on the Common Stock or on any other Junior Stock (other than (x) dividends payable in Junior Stock, (y) cash in lieu of fractional shares in connection with any such dividend, or (z) dividends in connection with the implementation of a shareholders' rights plan, or the redemption or repurchase of any rights under such plan), (2) the Corporation shall not purchase, redeem or otherwise acquire for consideration any Junior Stock (other than (s) as a result of a reclassification of Junior Stock for or into other Junior Stock, (t) the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, (u) through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (v) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (w) purchases of shares of Junior Stock pursuant to a contractually binding requirement to buy Junior Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, (x) the purchase of Junior Stock by an investment banking subsidiary of the Corporation in connection with the distribution thereof, (y) the purchase of Junior Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary, or (z) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged), and (3) the Corporation shall not purchase, redeem or otherwise acquire for consideration any Dividend Parity Stock other than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of Series K Preferred Stock and such Dividend Parity Stock (except (s) as a result of a reclassification of Dividend Parity Stock for or into other Dividend Parity Stock, (t) the exchange or conversion of one share of Dividend Parity Stock for or into another share of Dividend Parity Stock, (u) through the use of the proceeds of a substantially contemporaneous sale of other shares of Dividend Parity Stock, (v) purchases, redemptions or other acquisitions of shares of Dividend Parity Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (w) purchases of shares of Dividend Parity Stock pursuant to a contractually binding requirement to buy Dividend Parity Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, (x) the purchase of Dividend Parity Stock by an investment banking subsidiary of the Corporation in connection with the distribution thereof, (y) the purchase of Dividend Parity Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary, or (z) the purchase of fractional interests in shares of Dividend Parity Stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged) unless, in each of case (1), (2) or (3),

on the payment date for such dividend, purchase, redemption, or other acquisition, (y) the Corporation shall not be in default on its obligation to redeem any of the shares of its Series K Preferred Stock called for redemption and (z) dividends in an amount computed in accordance with Section 4(a)(iii) for each share of Series K Preferred Stock as of the Dividend Payment Date for the then current Dividend Period have been paid or declared and funds set aside therefore.

(B) On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, on the Series K Preferred Stock and on any other class or series of Preferred Stock of the Corporation ranking on a parity with Series K Preferred Stock as to payment of dividends (any such class or series being herein referred to as "Dividend Parity Stock"), all dividends paid or declared for payment on that Dividend Payment Date with respect to the Series K Preferred Stock and any Dividend Parity Stock shall he shared (1) first ratably by the holders of such shares, if any, who have the right to receive dividends with respect to dividend periods prior to the then current Dividend Period (which shall not include the Series K Preferred Stock) but for which such dividends were not declared and paid, in proportion to the respective amounts of such undeclared or unpaid dividends relating to prior Dividend Periods, and (2) thereafter by the holders of shares of Series K Preferred Stock and Dividend Parity Stock on a *pro rata* basis.

Section 5. Redemption.

(a) Redemption.

(i) Subject to the further terms and conditions provided herein, the Corporation, at the option of the Board of Directors or a duly authorized committee of the Board of Directors, may, upon notice given as provided in Section (v)B, redeem shares of the Series K Preferred Stock at the time outstanding (1) in whole or in part on any Dividend Payment Date on or after December 15, 2019 or (2) in whole but not in part at any time within 90 days following a Regulatory Capital Event.

(ii) The redemption price per share of Series K Preferred Stock shall be cash in an amount equal to $100,000 plus an amount equal to any declared and unpaid dividends.

(iii) The Series K Preferred Stock will not be subject to any sinking fund or other obligation of the Corporation to redeem, repurchase or retire the Shares.

(b) Notice of Redemption. Notice of every redemption of shares of Series K Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, and failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series K Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series K Preferred

Stock. Notwithstanding the foregoing, if the Series K Preferred Stock or any depositary shares representing interests in the Series K Preferred Stock are issued in book-entry form through The Depositary Trust Company or any other similar facility, notice of redemption may be given to the holders of Series K Preferred Stock at such time and in any manner permitted by such facility. Each notice shall state (i) the redemption date; (ii) the number of shares of Series K Preferred Stock to be redeemed and, if less than all the shares held by the holder are to be redeemed, the number of shares to be redeemed from the holder; (iii) the redemption price; and (iv) the place or places where the shares of Series K Preferred Stock are to be redeemed.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series K Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Board of Directors or such committee shall have full power and authority to prescribe the terms and conditions upon which shares of Series K Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 6. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation (each a "Liquidation Event"), after payment or provision for payment of debts and other liabilities of the Corporation and before any distribution to the holders of shares of Common Stock or any other Junior Stock, the holders of Series K Preferred Stock shall be entitled to receive the following out of the net assets of the Corporation, for each share of Series K Preferred Stock: an amount equal to $100,000 plus an amount equal to any declared and unpaid dividends.

(b) Partial Payment. If the assets of the Corporation are insufficient to permit the payment of the full preferential amounts payable in connection with a Liquidation Event to the holders of the Series K Preferred Stock and any other series of Preferred Stock ranking on a parity with the Series K Preferred Stock as to the distribution of assets upon a Liquidation Event, then the assets available for distribution to holders of shares of the Series K Preferred Stock and each such other series of Preferred Stock as to the distribution of assets upon liquidation shall be distributed ratably to the holders of shares of the Series K Preferred Stock and each such other series of Preferred Stock in proportion to the full preferential amounts payable on their respective shares upon the Liquidation Event.

(c) Merger, Consolidation and Sale of Assets Not Liquidation. Neither the sale, conveyance, exchange or transfer of all or substantially all the property and assets of the Corporation, the consolidation or merger of the Corporation with or into any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 6.

Section 7. Voting Rights.

(a) General. The holders of Series K Preferred Stock shall not have any voting rights except as set forth in this Section 7 or as otherwise required by law.

(b) Right to Elect Two Directors Upon Non-Payment of Dividends.

(i) If and whenever dividends on Series K Preferred Stock and any other class or series of Preferred Stock of the Corporation ranking on a parity with Series K Preferred Stock as to payment of dividends and having voting rights equivalent to those provided in this Section 7(b) for the Series K Preferred Stock (any such class or series being herein referred to as "Voting Parity Stock") have not been declared and paid in an aggregate amount, as to any such class or series, equal to at least six quarterly dividends (whether or not consecutive) computed in accordance with Section 4(a)(iii) in the case of the Series K Preferred Stock, and computed in accordance with the terms thereof in the case of any Voting Parity Stock, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series K Preferred Stock, together with the holders of all other affected classes and series of Voting Parity Stock similarly entitled to vote for the election of a total of two additional directors, voting separately as a single class, shall be entitled to elect the two additional members of the Corporation's Board of Directors (the "Preferred Stock Directors") at any annual meeting of shareholders or any special meeting of the holders of Series K Preferred Stock and such Voting Parity Stock for which dividends have not been paid, called as hereinafter provided. The Board of Directors shall at no time have more than two Preferred Stock Directors.

(ii) At any time after the voting power provided for in this Section 7 shall have been vested in the holders of Series K Preferred Stock and any Voting Parity Stock, the Secretary of the Corporation may, and upon the written request of holders of record of at least 20% of the outstanding shares of Series K Preferred Stock and any class or series of Voting Parity Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of shares of Series K Preferred Stock and such Voting Parity Stock having such voting rights, for the election of the Preferred Stock Directors, such call to be made by notice similar to that provided in the bylaws for a special meeting of the shareholders or as required by law. If any such special meeting so required to be called shall not be called by the Secretary within 20 days after receipt of any such request, then any holder of shares of Series K Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as herein provided, and for that purpose shall have access to the shareholder records of the Corporation. The Preferred Stock Directors elected at any such special meeting shall hold office until the next annual meeting of the shareholders if such office shall not have previously terminated as below provided. In case any vacancy shall occur among the Preferred Stock Directors, a

successor shall be elected by the Board of Directors to serve until the next annual meeting of the shareholders upon the nomination of the then remaining Preferred Stock Directors or, if no Preferred Stock Director remains in office, by the vote of the holders of record of a majority of the outstanding shares of Series K Preferred Stock and such Voting Parity Stock for which dividends have not been paid, voting as a single class.

(iii) Whenever (A) all dividends on any cumulative Voting Parity Stock have been paid in full, (B) full dividends computed in accordance with Section 4(a)(iii) have been paid on the applicable Dividend Payment Dates on the Series K Preferred Stock for at least one year and (C) full dividends on any non-cumulative Voting Parity Stock then outstanding have been paid in accordance with the terms thereof for at least one year, then the right of the holders of Series K Preferred Stock and such Voting Parity Stock to elect such Preferred Stock Directors shall cease (but subject always to the same provisions for the vesting of such voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods), and the terms of office of all Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly.

(c) Other Voting Rights.

(i) So long as any shares of Series K Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series K Preferred Stock outstanding at the time (voting separately as a class): (A) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock of the Corporation ranking senior to the Series K Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized shares of capital stock of the Corporation into any such shares, or (B) amend, alter or repeal the provisions of these Articles of Incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series K Preferred Stock or the holders thereof; provided, however, that with respect to the occurrence of any event set forth in clause (B) above, so long as any shares of the Series K Preferred Stock remain outstanding with the terms thereof materially unchanged or new shares of the surviving corporation or entity are issued with the same terms as the Series K Preferred Stock, in each case taking into account that upon the occurrence of an event the Corporation may not be the surviving entity, the occurrence of any such event shall not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Series K Preferred Stock or the holders thereof, and provided, further, that (A) any increase in the amount of the authorized Common Stock or Preferred Stock or the creation or issuance of any Junior Stock or Preferred Stock ranking on a parity with the Series K Preferred Stock with respect to payment of dividends or distribution of assets upon liquidation, dissolution or winding up, and (B) any change to the number of directors or number of classes of directors, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

(ii) On any matter on which the holders of the Series K Preferred Stock shall be entitled to vote (as provided herein or by applicable law), including any action by written consent, each share of Series K Preferred Stock shall have one vote per share.

(iii) The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series K Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Corporation for the benefit of the holders of Series K Preferred Stock to effect such redemption.

Section 8. Other Rights. The shares of Series K Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Articles of Incorporation.

(m) Series L Preferred Stock. There shall be a series of the Preferred Stock with the following terms, preferences, limitations, and relative rights, in addition to those otherwise expressed in these Articles of Incorporation or any amendment thereto,

Section 1. Designation. The distinctive designation of such series is "Perpetual Preferred Stock, Series L" ("Series L Preferred Stock").

Section 2. Number of Shares. The total authorized number of shares of Series L Preferred Stock shall be 7,500. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock that have not been designated as another series of Preferred Stock) or decreased (but not below the number of shares of Series L Preferred Stock then outstanding) by the Board of Directors.

Section 3. Definitions. As used herein with respect to the Series L Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act, as amended (12 U.S.C. § 1813(q)), or any successor provision.

"Business Day" means any weekday that is not a legal holiday in New York, New York and is not a day on which banking institutions in New York, New York are authorized or obligated by law, regulation or executive order to close.

"Calculation Agent" means U.S. Bank National Association or its successor appointed by the Corporation, acting as calculation agent.

"Dividend Determination Date" means the second London Banking Day prior to the beginning of the Dividend Period.

"Dividend Parity Stock" has the meaning assigned to such term in Section 4(a)(iv)(B).

"Dividend Payment Date" has the meaning assigned to such term in Section 4(a)(i).

"Dividend Period" means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date

(except that the first Dividend Period for the initial issuance of 7,500 Shares of Series L Preferred Stock shall commence upon (and include) December 15, 2019).

"Fixed Rate Period" means each Dividend Period from the first Dividend Period to, but excluding, June 15, 2022.

"Floating Rate Period" means each Dividend Period from June 15, 2022 to, and including, the redemption date of the Series L Preferred Stock, if any.

"Issue Date" means the initial date of delivery of shares of Series L Preferred Stock.

"Junior Stock" means the Common Stock and any other class or series of stock of the Corporation hereafter authorized over which Series L Preferred Stock has preference in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Liquidation Event" has the meaning assigned to such term in Section 6(a).

"London Banking Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

"Person" means any individual, corporation, partnership, joint venture, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock Directors" has the meaning assigned to such term in Section 7(b)(i).

"Regulatory Capital Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, clarification of, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of the Series L Preferred Stock, (ii) any proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of any share of the Series L Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series L Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $100,000 per share of the Series L Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital rules of the Appropriate Federal Banking Agency as then in effect and applicable, for so long as any share of the Series L Preferred Stock is outstanding.

"Three Month LIBOR" means the London interbank offered rate for deposits in U.S. dollars having an index maturity of three months in amounts of at least $1,000,000, as that rate appears on Reuters screen page "LIBOR01" at approximately 11:00 a.m., London time, on the relevant Dividend Determination Date. If no offered rate appears on Reuters screen page "LIBOR01" on the relevant Dividend Determination Date at approximately 11:00 a.m., London time, then the Calculation Agent, after consultation with the Corporation, will select four major banks in the London interbank market and will request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least $1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time, that is representative of single transactions at that time. If at least two

quotations are provided, Three Month LIBOR will be the arithmetic average (rounded upward, if necessary, to the nearest .00001 of 1%) of the quotations provided. Otherwise, the Calculation Agent will select three major banks in New York City and will request each of them to provide a quotation of the rate offered by it at approximately 11:00 a.m., New York City time, on the Dividend Determination Date for loans in U.S. dollars to leading European banks having an index maturity of three months for the applicable Dividend Period in an amount of at least $1,000,000 that is representative of single transactions at that time. If three quotations are provided, Three Month LIBOR will be the arithmetic average (rounded upward, if necessary, to the nearest .00001 of 1%) of the quotations provided. Otherwise, Three Month LIBOR for the next Dividend Period will be equal to Three Month LIBOR in effect for the then-current Dividend Period (or, in the case of the first Floating Rate Period, the London interbank offered rate for deposits in U.S. dollars having an index maturity of three months in amounts of at least $1,000,000, as that rate most recently appeared on Reuters screen page "LIBOR01," as determined by the Calculation Agent). The establishment of Three Month LIBOR for each Dividend Period by the Calculation Agent shall (in the absence of manifest error) be final and binding.

"Voting Parity Stock" has the meaning assigned to such term in Section 7(b)(i).

Section 4. Dividends.

(a) General.

(i) Dividend Payment Dates, Dividend Rate, Etc. Holders of Series L Preferred Stock shall be entitled to receive, only when, as and if declared by the Board of Directors, or a duly authorized committee of the Board of Directors, but only out of funds legally available therefor, cash dividends at a rate equal to (A) 5.05% per annum for each Fixed Rate Period and (B) Three Month LIBOR plus a spread of 3.102% per annum, for each Floating Rate Period, in each case computed in accordance with Section 4(a)(iii) and payable (1) during the Fixed Rate Period, semi-annually, in arrears on June 15 and December 15 of each year, beginning on June 15, 2020 and ending on June 15, 2022 and (2) during the Floating Rate Period, quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year beginning on September 15, 2022 (each such date pursuant to clause (1) or clause (2), subject to adjustment as provided below, a "Dividend Payment Date"), to holders of record on the respective date fixed for that purpose by the Board of Directors or such committee in advance of payment of each particular dividend.

(ii) Business Day Convention. If a day on or before June 15, 2022 that would otherwise be a Dividend Payment Date is not a Business Day, then such date will nevertheless be a Dividend Payment Date but dividends on the Series L Preferred Stock, when, as and if declared, will be paid on the next succeeding Business Day (without adjustment in the amount of the dividend per share of the Series L Preferred Stock). If a day after June 15, 2022 that would otherwise be a Dividend Payment Date is not a Business Day, then the next succeeding Business Day will be the applicable Dividend Payment Date and dividends on the Series L Preferred Stock, when, as and if declared, will be paid on such next succeeding Business Day.

(iii) Dividend Computation. The amount of the dividend computed per share of Series L Preferred Stock for the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of the dividend computed per share of Series L Preferred Stock for the Floating Rate Period will be computed based on the actual number of days in a dividend period and a 360-day year.

(iv) Priority Regarding Dividends.

(A) So long as any of the shares of the Series L Preferred Stock is outstanding, (1) no dividends shall be paid or declared, in cash or otherwise, nor shall any other distribution be made, on the Common Stock or on any other Junior Stock (other than (x) dividends payable in Junior Stock, (y) cash in lieu of fractional shares in connection with any such dividend, or (z) dividends in connection with the implementation of a shareholders' rights plan, or the redemption or repurchase of any rights under such plan), (2) the Corporation shall not purchase, redeem or otherwise acquire for consideration any Junior Stock (other than (s) as a result of a reclassification of Junior Stock for or into other Junior Stock, (t) the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, (u) through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (v) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (w) purchases of shares of Junior Stock pursuant to a contractually binding requirement to buy Junior Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, (x) the purchase of Junior Stock by an investment banking subsidiary of the Corporation in connection with the distribution thereof, (y) the purchase of Junior Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary, or (z) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged), and (3) the Corporation shall not purchase, redeem or otherwise acquire for consideration any Dividend Parity Stock other than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series L Preferred Stock and such Dividend Parity Stock (except (s) as a result of a reclassification of Dividend Parity Stock for or into other Dividend Parity Stock, (t) the exchange or conversion of one share of Dividend Parity Stock for or into another share of Dividend Parity Stock, (u) through the use of the proceeds of a substantially contemporaneous sale of other shares of Dividend Parity Stock, (v) purchases, redemptions or other acquisitions of shares of Dividend Parity Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (w) purchases of shares of Dividend Parity Stock pursuant to a contractually binding requirement to buy Dividend Parity Stock existing prior to the preceding Dividend Period, including under a contractually binding stock

repurchase plan, (x) the purchase of Dividend Parity Stock by an investment banking subsidiary of the Corporation in connection with the distribution thereof, (y) the purchase of Dividend Parity Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary, or (z) the purchase of fractional interests in shares of Dividend Parity Stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged) unless, in each of case (1), (2) or (3), on the payment date for such dividend, purchase, redemption, or other acquisition, (a) the Corporation shall not be in default on its obligation to redeem any of the shares of its Series L Preferred Stock called for redemption and (b) dividends in an amount computed in accordance with Section 4(a)(iii) for each share of Series L Preferred Stock as of the Dividend Payment Date for the then current Dividend Period have been paid or declared and funds set aside therefore.

(B) On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, on the Series L Preferred Stock and on any other class or series of Preferred Stock of the Corporation ranking on a parity with the Series L Preferred Stock as to payment of dividends (any such class or series being herein referred to as "Dividend Parity Stock"), all dividends paid or declared for payment on that Dividend Payment Date with respect to the Series L Preferred Stock and any Dividend Parity Stock shall be shared (1) first ratably by the holders of such shares, if any, who have the right to receive dividends with respect to dividend periods prior to the then current Dividend Period (which, to avoid doubt, shall not include the Series L Preferred Stock) but for which such dividends were not declared and paid, in proportion to the respective amounts of such undeclared or unpaid dividends relating to prior Dividend Periods, and (2) thereafter by the holders of shares of Series L Preferred Stock and Dividend Parity Stock on a *pro rata* basis.

Section 5. Redemption.

(a) Redemption.

(i) Subject to the further terms and conditions provided herein, the Corporation, at the option of the Board of Directors or a duly authorized committee of the Board of Directors, may, upon notice given as provided in Section 5(b), redeem shares of the Series L Preferred Stock at the time outstanding (A) in whole or in part on any Dividend Payment Date on or after December 15, 2024 or (B) in whole but not in part at any time within 90 days following a Regulatory Capital Event.

(ii) The redemption price per share of Series L Preferred Stock shall be cash in an amount equal to $100,000 plus an amount equal to any declared and unpaid dividends.

(iii) The Series L Preferred Stock will not be subject to any sinking fund or other obligation of the Corporation to redeem, repurchase or retire the Shares.

(b) Notice of Redemption. Notice of every redemption of shares of Series L Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, and failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series L Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series L Preferred Stock. Notwithstanding the foregoing, if the Series L Preferred Stock or any depositary shares representing interests in the Series L Preferred Stock are issued in book-entry form through The Depositary Trust Company or any other similar facility, notice of redemption may be given to the holders of Series L Preferred Stock at such time and in any manner permitted by such facility. Each notice shall state (i) the redemption date; (ii) the number of shares of Series L Preferred Stock to be redeemed and, if less than all the shares held by the holder are to be redeemed, the number of shares to be redeemed from the holder; (iii) the redemption price; and (iv) the place or places where the shares of Series L Preferred Stock are to be redeemed.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series L Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Board of Directors or such committee shall have full power and authority to prescribe the terms and conditions upon which shares of Series L Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 6. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation (each a "Liquidation Event"), after payment or provision for payment of debts and other liabilities of the Corporation and before any distribution to the holders of shares of Common Stock or any other Junior Stock, the holders of Series L Preferred Stock shall be entitled to receive the following out of the net assets of the Corporation, for each share of Series L Preferred Stock: an amount equal to $100,000 plus an amount equal to any declared and unpaid dividends.

(b) Partial Payment. If the assets of the Corporation are insufficient to permit the payment of the full preferential amounts payable in connection with a Liquidation Event to the holders of the Series L Preferred Stock and any other series of Preferred Stock ranking on a parity with the Series L Preferred Stock as to the distribution of assets upon a Liquidation Event, then the assets available for distribution to holders of shares of the Series L Preferred Stock and each such other series of Preferred Stock as to the distribution of assets upon liquidation shall be distributed ratably to the holders of shares of the Series L Preferred Stock and each such other series of Preferred Stock in proportion to the full preferential amounts payable on their respective shares upon the Liquidation Event.

(c) Merger, Consolidation and Sale of Assets Not Liquidation. Neither the sale, conveyance, exchange or transfer of all or substantially all the property and assets of the Corporation, the consolidation or merger of the Corporation with or into any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 6.

Section 7. Voting Rights.

(a) General. The holders of Series L Preferred Stock shall not have any voting rights except as set forth in this Section 7 or as otherwise required by law.

(b) Right to Elect Two Directors Upon Non-Payment of Dividends.

(i) If and whenever dividends on Series L Preferred Stock and any other class or series of Preferred Stock of the Corporation ranking on a parity with Series L Preferred Stock as to payment of dividends and having voting rights equivalent to those provided in this Section 7(b) for the Series L Preferred Stock (any such class or series being herein referred to as "Voting Parity Stock") have not been declared and paid in an aggregate amount, as to any such class or series, equal to at least six quarterly dividends (whether or not consecutive) computed in accordance with Section 4(a)(iii) in the case of the Series L Preferred Stock, and computed in accordance with the terms thereof in the case of any Voting Parity Stock, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series L Preferred Stock, together with the holders of all other affected classes and series of Voting Parity Stock similarly entitled to vote for the election of a total of two additional directors, voting separately as a single class, shall be entitled to elect the two additional members of the Corporation's Board of Directors (the "Preferred Stock Directors") at any annual meeting of shareholders or any special meeting of the holders of Series L Preferred Stock and such Voting Parity Stock for which dividends have not been paid, called as hereinafter provided. The Board of Directors shall at no time have more than two Preferred Stock Directors.

(ii) At any time after the voting power provided for in this Section 7 shall have been vested in the holders of Series L Preferred Stock and any Voting Parity Stock, the Secretary of the Corporation may, and upon the written request of holders of record of at least 20% of the outstanding shares of Series L Preferred Stock and any class or series of Voting Parity Stock (addressed to the Secretary at the principal office of the

Corporation) shall, call a special meeting of the holders of shares of Series L Preferred Stock and such Voting Parity Stock having such voting rights, for the election of the Preferred Stock Directors, such call to be made by notice similar to that provided in the bylaws for a special meeting of the shareholders or as required by law. If any such special meeting so required to be called shall not be called by the Secretary within 20 days after receipt of any such request, then any holder of shares of Series L Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as herein provided, and for that purpose shall have access to the shareholder records of the Corporation. The Preferred Stock Directors elected at any such special meeting shall hold office until the next annual meeting of the shareholders if such office shall not have previously terminated as below provided. In case any vacancy shall occur among the Preferred Stock Directors, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the shareholders upon the nomination of the then remaining Preferred Stock Directors or, if no Preferred Stock Director remains in office, by the vote of the holders of record of a majority of the outstanding shares of Series L Preferred Stock and such Voting Parity Stock for which dividends have not been paid, voting as a single class.

(iii) Whenever (A) all dividends on any cumulative Voting Parity Stock have been paid in full, (B) full dividends computed in accordance with Section 4(a)(iii) have been paid on the applicable Dividend Payment Dates on the Series L Preferred Stock for at least one year and (C) full dividends on any non-cumulative Voting Parity Stock then outstanding have been paid in accordance with the terms thereof for at least one year, then the right of the holders of Series L Preferred Stock and such Voting Parity Stock to elect such Preferred Stock Directors shall cease (but subject always to the same provisions for the vesting of such voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods), and the terms of office of all Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly.

(c) Other Voting Rights.

(i) So long as any shares of Series L Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series L Preferred Stock outstanding at the time (voting separately as a class): (A) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock of the Corporation ranking senior to the Series L Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized shares of capital stock of the Corporation into any such shares, or (B) amend, alter or repeal the provisions of these Articles of Incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series L Preferred Stock or the holders thereof; provided, however, that with respect to the occurrence of any event set forth in clause (B) above, so long as any shares of the Series L Preferred Stock remain outstanding with the terms thereof materially unchanged or new shares of the surviving corporation or entity are issued with the same terms as the Series L

Preferred Stock, in each case taking into account that upon the occurrence of an event the Corporation may not be the surviving entity, the occurrence of any such event shall not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Series L Preferred Stock or the holders thereof, and provided, further, that (A) any increase in the amount of the authorized Common Stock or Preferred Stock or the creation or issuance of any Junior Stock or Preferred Stock ranking on a parity with the Series L Preferred Stock with respect to payment of dividends or distribution of assets upon liquidation, dissolution or winding up, and (B) any change to the number of directors or number of classes of directors, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

(ii) On any matter on which the holders of the Series L Preferred Stock shall be entitled to vote (as provided herein or by applicable law), including any action by written consent, each share of Series L Preferred Stock shall have one vote per share.

(iii) The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series L Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Corporation for the benefit of the holders of Series L Preferred Stock to effect such redemption.

Section 8. Other Rights. The shares of Series L Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Articles of Incorporation.

(n) Series M Preferred Stock. There shall be a series of the Preferred Stock with the following terms, preferences, limitations, and relative rights, in addition to those otherwise expressed in these Articles of Incorporation or any amendment thereto.

Section 1. Designation. The distinctive designation of such series is "Perpetual Preferred Stock, Series M" ("Series M Preferred Stock").

Section 2. Number of Shares. The total authorized number of shares of Series M Preferred Stock shall be 5,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock that have not been designated as another series of Preferred Stock) or decreased (but not below the number of shares of Series M Preferred Stock then outstanding) by the Board of Directors.

Section 3. Definitions. As used herein with respect to the Series M Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act, as amended (12 U.S.C. § 1813(q)), or any successor provision.

"Business Day" means any weekday that is not a legal holiday in New York, New York and is not a day on which banking institutions in New York, New York are authorized or obligated by law, regulation or executive order to close.

"Calculation Agent" means such bank or other entity (which may be the Corporation or an affiliate of the Corporation) as may be appointed by the Corporation to act as calculation agent for the Series M Preferred Stock during the Floating Rate Period (including any successor to such bank or other entity).

"Dividend Determination Date" means the second London Banking Day prior to the beginning of the Dividend Period.

"Dividend Parity Stock" has the meaning assigned to such term in Section 4(a)(iv)(B).

"Dividend Payment Date" has the meaning assigned to such term in Section 4(a)(i).

"Dividend Period" means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date (except that the first Dividend Period for the initial issuance of 5,000 Shares of Series M Preferred Stock shall commence upon (and include) December 15, 2019).

"Fixed Rate Period" means each Dividend Period from the first Dividend Period to, but excluding, December 15, 2027.

"Floating Rate Period" means each Dividend Period from December 15, 2027 to, and including, the redemption date of the Series M Preferred Stock, if any.

"Issue Date" means the initial date of delivery of shares of Series M Preferred Stock.

"Junior Stock" means the Common Stock and any other class or series of stock of the Corporation hereafter authorized over which Series M Preferred Stock has preference in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Liquidation Event" has the meaning assigned to such term in Section 6(a).

"London Banking Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

"Person" means any individual, corporation, partnership, joint venture, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock Directors" has the meaning assigned to such term in Section 7(b)(i).

"Regulatory Capital Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, clarification of, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of the Series M Preferred Stock, (ii) any proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of any share of the Series M Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series M Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $100,000 per share of the Series M Preferred Stock then outstanding as "tier 1 capital" (or its

equivalent) for purposes of the capital rules of the Appropriate Federal Banking Agency as then in effect and applicable, for so long as any share of the Series M Preferred Stock is outstanding.

"Three Month LIBOR" means the London interbank offered rate for deposits in U.S. dollars having an index maturity of three months in amounts of at least $1,000,000, as that rate appears on Reuters screen page "LIBOR01" at approximately 11:00 a.m., London time, on the relevant Dividend Determination Date, provided that:

(i) If no offered rate appears on Reuters screen page "LIBOR01" on the relevant Dividend Determination Date at approximately 11:00 a.m., London time, then the Calculation Agent, after consultation with the Corporation, will select four major banks in the London interbank market and will request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least $1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time, that is representative of single transactions at that time. If at least two quotations are provided, Three Month LIBOR will be the arithmetic average (rounded upward if necessary to the nearest .00001 of 1%) of the quotations provided.

(ii) Otherwise, the Calculation Agent will select three major banks in New York City and will request each of them to provide a quotation of the rate offered by it at approximately 11:00 a.m., New York City time, on the Dividend Determination Date for loans in U.S. dollars to leading European banks having an index maturity of three months for the applicable Dividend Period in an amount of at least $1,000,000 that is representative of single transactions at that time. If three quotations are provided, Three Month LIBOR will be the arithmetic average (rounded upward if necessary to the nearest .00001 of 1%) of the quotations provided.

(iii) Otherwise, the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such sources as it deems reasonable from which to estimate Three Month LIBOR or any of the foregoing lending rates, shall determine Three Month LIBOR for the relevant Dividend Period in its sole discretion.

Notwithstanding the foregoing clauses (i), (ii) and (iii):

(A) If the Calculation Agent determines on the relevant Dividend Determination Date that the London interbank offered rate for deposits in U.S. dollars having an index maturity of three months in amounts of at least $1,000,000 has been discontinued, then the Calculation Agent will use a substitute or successor base rate that it has determined in its sole discretion is most comparable to such London interbank offered rate, provided that if the Calculation Agent determines there is an industry-accepted successor base rate, then the Calculation Agent shall use such successor base rate; and

(B) If the Calculation Agent has determined a substitute or successor base rate in accordance with foregoing, the Calculation Agent in its sole discretion

may determine what business day convention to use, the definition of Business Day, the Dividend Determination Date and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the LIBOR base rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

The establishment of Three Month LIBOR for each Dividend Period by the Calculation Agent shall (in the absence of manifest error) be final and binding.

"Voting Parity Stock" has the meaning assigned to such term in Section 7(b)(i).

Section 4. Dividends.

(a) General.

(i) Dividend Payment Dates, Dividend Rate, Etc. Holders of Series M Preferred Stock shall be entitled to receive, only when, as and if declared by the Board of Directors, or a duly authorized committee of the Board of Directors, but only out of funds legally available therefor, cash dividends at a rate equal to (A) 5.125% per annum for each Fixed Rate Period and (B) Three Month LIBOR plus a spread of 2.786% per annum, for each Floating Rate Period, in each case computed in accordance with Section 4(a)(iii) and payable (1) during the Fixed Rate Period, semi-annually, in arrears on June 15 and December 15 of each year, beginning on June 15, 2020 and ending on December 15, 2027 and (2) during the Floating Rate Period, quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year beginning on March 15, 2028 (each such date pursuant to clause (1) or clause (2), subject to adjustment as provided below, a "Dividend Payment Date"), to holders of record on the respective date fixed for that purpose by the Board of Directors or such committee in advance of payment of each particular dividend.

(ii) Business Day Convention. If a day on or before December 15, 2027 that would otherwise be a Dividend Payment Date is not a Business Day, then such date will nevertheless be a Dividend Payment Date but dividends on the Series M Preferred Stock, when, as and if declared, will be paid on the next succeeding Business Day (without adjustment in the amount of the dividend per share of the Series M Preferred Stock). If a day after December 15, 2027 that would otherwise be a Dividend Payment Date is not a Business Day, then the next succeeding Business Day will be the applicable Dividend Payment Date and dividends on the Series M Preferred Stock, when, as and if declared, will be paid on such next succeeding Business Day.

(iii) Dividend Computation. The amount of the dividend computed per share of Series M Preferred Stock for the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30day months. The amount of the dividend computed per share of Series M Preferred Stock for the Floating Rate Period will be computed based on the actual number of days in a dividend period and a 360-day year.

(iv) Priority Regarding Dividends.

(A) So long as any of the shares of the Series M Preferred Stock is outstanding, (1) no dividends shall be paid or declared, in cash or otherwise, nor shall any other distribution be made, on the Common Stock or on any other Junior Stock (other than (x) dividends payable in Junior Stock, (y) cash in lieu of fractional shares in connection with any such dividend, or (z) dividends in connection with the implementation of a shareholders' rights plan, or the redemption or repurchase of any rights under such plan), (2) the Corporation shall not purchase, redeem or otherwise acquire for consideration any Junior Stock (other than (s) as a result of a reclassification of Junior Stock for or into other Junior Stock, (t) the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, (u) through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (v) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (w) purchases of shares of Junior Stock pursuant to a contractually binding requirement to buy Junior Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, (x) the purchase of Junior Stock by an investment banking subsidiary of the Corporation in connection with the distribution thereof, (y) the purchase of Junior Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary, or (z) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged), and (3) the Corporation shall not purchase, redeem or otherwise acquire for consideration any Dividend Parity Stock other than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series M Preferred Stock and such Dividend Parity Stock (except (s) as a result of a reclassification of Dividend Parity Stock for or into other Dividend Parity Stock, (t) the exchange or conversion of one share of Dividend Parity Stock for or into another share of Dividend Parity Stock, (u) through the use of the proceeds of a substantially contemporaneous sale of other shares of Dividend Parity Stock, (v) purchases, redemptions or other acquisitions of shares of Dividend Parity Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (w) purchases of shares of Dividend Parity Stock pursuant to a contractually binding requirement to buy Dividend Parity Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, (x) the purchase of Dividend Parity Stock by an investment banking subsidiary of the Corporation in connection with the distribution thereof, (y) the purchase of Dividend Parity Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary, or (z) the purchase of fractional interests in shares of Dividend Parity Stock pursuant to the conversion or exchange provisions of such stock or the security being converted

or exchanged) unless, in each of case (1), (2) or (3), on the payment date for such dividend, purchase, redemption, or other acquisition, (a) the Corporation shall not be in default on its obligation to redeem any of the shares of its Series M Preferred Stock called for redemption and (b) dividends in an amount computed in accordance with Section 4(a)(iii) for each share of Series M Preferred Stock as of the Dividend Payment Date for the then current Dividend Period have been paid or declared and funds set aside therefore.

(B) On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, on the Series M Preferred Stock and on any other class or series of Preferred Stock of the Corporation ranking on a parity with the Series M Preferred Stock as to payment of dividends (any such class or series being herein referred to as "Dividend Parity Stock"), all dividends paid or declared for payment on that Dividend Payment Date with respect to the Series M Preferred Stock and any Dividend Parity Stock shall be shared (1) first ratably by the holders of such shares, if any, who have the right to receive dividends with respect to dividend periods prior to the then current Dividend Period (which, to avoid doubt, shall not include the Series M Preferred Stock) but for which such dividends were not declared and paid, in proportion to the respective amounts of such undeclared or unpaid dividends relating to prior Dividend Periods, and (2) thereafter by the holders of shares of Series M Preferred Stock and Dividend Parity Stock on a *pro rata* basis.

Section 5. Redemption.

(a) Redemption.

(i) Subject to the further terms and conditions provided herein, the Corporation, at the option of the Board of Directors or a duly authorized committee of the Board of Directors, may, upon notice given as provided in Section 5(b), redeem shares of the Series M Preferred Stock at the time outstanding (A) in whole or in part on any Dividend Payment Date on or after the December 15, 2027 Dividend Payment Date or (B) in whole but not in part at any time within 90 days following a Regulatory Capital Event.

(ii) The redemption price per share of Series M Preferred Stock shall be cash in an amount equal to $100,000 plus an amount equal to any declared and unpaid dividends.

(iii) The Series M Preferred Stock will not be subject to any sinking fund or other obligation of the Corporation to redeem, repurchase or retire the Shares.

(b) Notice of Redemption. Notice of every redemption of shares of Series M Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, and failure duly to give such notice by mail, or any defect in such notice or in the mailing

thereof, to any holder of shares of Series M Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series M Preferred Stock. Notwithstanding the foregoing, if the Series M Preferred Stock or any depositary shares representing interests in the Series M Preferred Stock are issued in book-entry form through The Depositary Trust Company or any other similar facility, notice of redemption may be given to the holders of Series M Preferred Stock at such time and in any manner permitted by such facility. Each notice shall state (i) the redemption date; (ii) the number of shares of Series M Preferred Stock to be redeemed and, if less than all the shares held by the holder are to be redeemed, the number of shares to be redeemed from the holder; (iii) the redemption price; and (iv) the place or places where the shares of Series M Preferred Stock are to be redeemed.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series M Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Board of Directors or such committee shall have full power and authority to prescribe the terms and conditions upon which shares of Series M Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 6. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the Corporation (each a "Liquidation Event"), after payment or provision for payment of debts and other liabilities of the Corporation and before any distribution to the holders of shares of Common Stock or any other Junior Stock, the holders of Series M Preferred Stock shall be entitled to receive the following out of the net assets of the Corporation, for each share of Series M Preferred Stock: an amount equal to $100,000 plus an amount equal to any declared and unpaid dividends.

(b) Partial Payment. If the assets of the Corporation are insufficient to permit the payment of the full preferential amounts payable in connection with a Liquidation Event to the holders of the Series M Preferred Stock and any other series of Preferred Stock ranking on a parity with the Series M Preferred Stock as to the distribution of assets upon a Liquidation Event, then the assets available for distribution to holders of shares of the Series M Preferred Stock and each such other series of Preferred Stock as to the distribution of assets upon liquidation shall be

distributed ratably to the holders of shares of the Series M Preferred Stock and each such other series of Preferred Stock in proportion to the full preferential amounts payable on their respective shares upon the Liquidation Event.

(c) Merger, Consolidation and Sale of Assets Not Liquidation. Neither the sale, conveyance, exchange or transfer of all or substantially all the property and assets of the Corporation, the consolidation or merger of the Corporation with or into any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 6.

Section 7. Voting Rights.

(a) General. The holders of Series M Preferred Stock shall not have any voting rights except as set forth in this Section 7 or as otherwise required by law.

(b) Right to Elect Two Directors Upon Non-Payment of Dividends.

(i) If and whenever dividends on Series M Preferred Stock and any other class or series of Preferred Stock of the Corporation ranking on a parity with Series M Preferred Stock as to payment of dividends and having voting rights equivalent to those provided in this Section 7(b) for the Series M Preferred Stock (any such class or series being herein referred to as "Voting Parity Stock") have not been declared and paid in an aggregate amount, as to any such class or series, equal to at least six quarterly dividends (whether or not consecutive) computed in accordance with Section 4(a)(iii) in the case of the Series M Preferred Stock, and computed in accordance with the terms thereof in the case of any Voting Parity Stock, the number of directors then constituting the Board of Directors shall be increased by two and the holders of Series M Preferred Stock, together with the holders of all other affected classes and series of Voting Parity Stock similarly entitled to vote for the election of a total of two additional directors, voting separately as a single class, shall be entitled to elect the two additional members of the Corporation's Board of Directors (the "Preferred Stock Directors") at any annual meeting of shareholders or any special meeting of the holders of Series M Preferred Stock and such Voting Parity Stock for which dividends have not been paid, called as hereinafter provided. The Board of Directors shall at no time have more than two Preferred Stock Directors.

(ii) At any time after the voting power provided for in this Section 7 shall have been vested in the holders of Series M Preferred Stock and any Voting Parity Stock, the Secretary of the Corporation may, and upon the written request of holders of record of at least 20% of the outstanding shares of Series M Preferred Stock and any class or series of Voting Parity Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of shares of Series M Preferred Stock and such Voting Parity Stock having such voting rights, for the election of the Preferred Stock Directors, such call to be made by notice similar to that provided in the bylaws for a special meeting of the shareholders or as required by law. If any such special meeting so required to be called shall not be called by the Secretary within 20 days after receipt of any such request, then any holder of shares of Series M Preferred

Stock may (at the Corporation's expense) call such meeting, upon notice as herein provided, and for that purpose shall have access to the shareholder records of the Corporation. The Preferred Stock Directors elected at any such special meeting shall hold office until the next annual meeting of the shareholders if such office shall not have previously terminated as below provided. In case any vacancy shall occur among the Preferred Stock Directors, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the shareholders upon the nomination of the then remaining Preferred Stock Directors or, if no Preferred Stock Director remains in office, by the vote of the holders of record of a majority of the outstanding shares of Series M Preferred Stock and such Voting Parity Stock for which dividends have not been paid, voting as a single class.

(iii) Whenever (A) all dividends on any cumulative Voting Parity Stock have been paid in full, (B) full dividends computed in accordance with Section 4(a)(iii) have been paid on the applicable Dividend Payment Dates on the Series M Preferred Stock for at least one year and (C) full dividends on any non-cumulative Voting Parity Stock then outstanding have been paid in accordance with the terms thereof for at least one year, then the right of the holders of Series M Preferred Stock and such Voting Parity Stock to elect such Preferred Stock Directors shall cease (but subject always to the same provisions for the vesting of such voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods), and the terms of office of all Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall be reduced accordingly.

(c) Other Voting Rights.

(i) So long as any shares of Series M Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the Series M Preferred Stock outstanding at the time (voting separately as a class): (A) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock of the Corporation ranking senior to the Series M Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized shares of capital stock of the Corporation into any such shares, or (B) amend, alter or repeal the provisions of these Articles of Incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series M Preferred Stock or the holders thereof; provided, however, that with respect to the occurrence of any event set forth in clause (B) above, so long as any shares of the Series M Preferred Stock remain outstanding with the terms thereof materially unchanged or new shares of the surviving corporation or entity are issued with the same terms as the Series M Preferred Stock, in each case taking into account that upon the occurrence of an event the Corporation may not be the surviving entity, the occurrence of any such event shall not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Series M Preferred Stock or the holders thereof, and provided, further, that (A) any increase in the amount of the authorized Common Stock or Preferred Stock or the creation or issuance of any Junior Stock or Preferred Stock ranking on a parity with the

Series M Preferred Stock with respect to payment of dividends or distribution of assets upon liquidation, dissolution or winding up, and (B) any change to the number of directors or number of classes of directors, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

(ii) On any matter on which the holders of the Series M Preferred Stock shall be entitled to vote (as provided herein or by applicable law), including any action by written consent, each share of Series M Preferred Stock shall have one vote per share.

(iii) The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series M Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Corporation for the benefit of the holders of Series M Preferred Stock to effect such redemption.

Section 8. Other Rights. The shares of Series M Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Articles of Incorporation.

(o) Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock.

Section 1. Designation. The designation of the series of preferred stock shall be Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series N Preferred Stock"). Each share of Series N Preferred Stock shall be identical in all respects to every other share of Series N Preferred Stock. Series N Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series N Preferred Stock shall be 68,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series N Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series N Preferred Stock.

Section 3. Definitions. As used herein with respect to Series N Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Winston-Salem, North Carolina.

"Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, provided that the Corporation shall use its best efforts to ensure that there is, at all relevant times on and after the Reset Dividend Determination Date when the Series N Preferred Stock is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be the Corporation itself or a person or entity affiliated with the Corporation.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Federal Reserve" means the Board of Governors of the Federal Reserve System.

"First Reset Date" shall have the meaning set forth in Section 4(a) hereof.

"Five-Year U.S. Treasury Rate" means:

(i) The average of the yields on actively traded U.S. treasury securities adjusted to constant maturity, for five-year maturities, for the five Business Days preceding the Reset Dividend Determination Date and appearing under the caption "Treasury Constant Maturities" in the most recently published statistical release designated H.15 Daily Update or any successor publication which is published by the Federal Reserve, as determined by the Calculation Agent in its sole discretion.

(ii) If no calculation is provided as described above, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the Five-Year U.S. Treasury Rate, shall determine the Five-Year U.S. Treasury Rate in its sole discretion, provided that if the Calculation Agent determines there is an industry-accepted successor rate, then the Calculation Agent shall use such successor rate. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent in its sole discretion may adjust the spread and may determine the Business Day convention, the definition of business day and the Reset Dividend Determination Date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the Five-Year U.S. Treasury Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

The Five-Year U.S. Treasury Rate shall be determined by the Calculation Agent on the third Business Day immediately preceding the applicable Reset Date. If the Five-Year U.S. Treasury Rate for any Dividend Period cannot be determined pursuant to the methods described in clauses (i) and (ii) above, such Five-Year U.S. Treasury Rate will be the same as the dividend rate determined for the immediately preceding Dividend Period.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series N Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks equally with the Series N Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series D Non-Cumulative Perpetual Preferred Stock, Series E Non-Cumulative Perpetual Preferred Stock, Series F Non-Cumulative Perpetual Preferred Stock, Series G Non-Cumulative Perpetual Preferred Stock and Series H Non-Cumulative Perpetual Preferred Stock for so long as (i) any Series D Non-Cumulative Perpetual Preferred Stock, Series E Non-Cumulative Perpetual Preferred Stock, Series F Non-Cumulative Perpetual Preferred Stock, Series G Non-Cumulative Perpetual Preferred Stock and Series H Non-Cumulative Perpetual Preferred Stock is outstanding and (ii) the terms of the Series D Non-Cumulative Perpetual Preferred Stock, Series E Non-Cumulative Perpetual Preferred Stock, Series F Non-Cumulative Perpetual Preferred Stock, Series G Non-Cumulative Perpetual Preferred Stock and Series H Non-Cumulative Perpetual Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Articles of Amendment that initially established the Series N Preferred Stock.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change (including any prospective change) in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series N Preferred Stock, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series N Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series N Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series N Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy rules of the Federal Reserve (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series N Preferred Stock is outstanding.

"Reset Date" means the First Reset Date and each date falling on the fifth anniversary of the preceding Reset Date. Reset Dates, including the First Reset Date, will not be adjusted for Business Days.

"Reset Dividend Determination Date" means, in respect of any Reset Period, the day falling three Business Days prior to the beginning of such Reset Period.

"Reset Period" means the period from and including the First Reset Date to, but excluding, the next following Reset Date and thereafter each period from and including each Reset Date to, but excluding, the next following Reset Date.

"Series N Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series N Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series N Preferred Stock. Commencing on March 1, 2020, these dividends will be payable semi-annually in arrears on each March 1 and September 1; *provided*, *however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series N Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series N Preferred Stock will accrue on the liquidation preference of $25,000 per share: (i) from the date of original issue to, but excluding, September 1, 2024 (the "First Reset Date"), at a fixed rate *per annum* equal to 4.800% and (ii) from, and including, the First Reset Date, during each Reset Period, at a rate per annum equal to the Five-Year U.S. Treasury Rate as of the most recent Reset Dividend Determination Date plus 3.003%. The record date for payment of dividends on the Series N Preferred Stock shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series N Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series N Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series N Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period and the Corporation shall have no obligation to pay, and the holders of Series N Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series N Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series N Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a

dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series N Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series N Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series N Preferred Stock and any Parity Stock, all dividends declared upon shares of Series N Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series N Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series N Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series N Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series N Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series N Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. Distributions will be made only to the extent of the Corporation's assets that are available after satisfaction of liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series N Preferred Stock (*pro rata* as to the Series N Preferred Stock and any other shares of our stock ranking equally as to such distributions). The holder of Series N Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders

of Series N Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series N Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series N Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series N Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Series N Preferred Stock is perpetual and has no maturity date. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series N Preferred Stock on September 1, 2024, or on any Dividend Payment Date thereafter, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series N Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid to, but excluding, the date of redemption (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of intent to redeem, as provided in Section (b) below, all (but not less than all) of the shares of Series N Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series N Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 10 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series N Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series N Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of

any other shares of Series N Preferred Stock. Each notice shall state (i) the date of redemption; (ii) the number of shares of Series N Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such holder; (iii) the Redemption Price; (iv) the place or places where such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the date of redemption.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series N Preferred Stock at the time outstanding, the shares of Series N Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series N Preferred Stock in proportion to the number of Series N Preferred Stock held by such holders or by lot. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series N Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the date of redemption specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any share so called for redemption has not been surrendered for cancellation, on and after the date of redemption all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such date of redemption, and all rights with respect to such shares shall forthwith on such date of redemption cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the date of redemption from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the date of redemption shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series N Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series N Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment

of the articles of incorporation or of any articles amendatory thereof or supplemental thereto (including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series N Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series N Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series N Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series N Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series N Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series N Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation;

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series N Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series N Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series N Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series N Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series N Preferred Stock as to payment of dividends is a "Preferred Director."

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series N Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series N Preferred Stock as to payment of dividends and for which dividends

have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series N Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series N Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series N Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two directors to the Board of Directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series N Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series N Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series N Preferred Stock and any other class or series of preferred stock that ranks on parity with Series N Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series N Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series N Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights**,** whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series N Preferred Stock shall not have any rights to convert such Series N Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series N Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series N Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series N Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided*, *however*, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series N Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series N Preferred Stock are not subject to the operation of a sinking fund.

(p) Series O Non-Cumulative Perpetual Preferred Stock.

Section 1. Designation. The designation of the series of preferred stock shall be Series O Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series O Preferred Stock"). Each share of Series O Preferred Stock shall be identical in all respects to every other share of Series O Preferred Stock. Series O Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series O Preferred Stock shall be 23,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series O Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series O Preferred Stock.

Section 3. Definitions. As used herein with respect to Series O Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Charlotte, North Carolina.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Rate" means a rate per annum equal to 5.25%.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Federal Reserve" means the Board of Governors of the Federal Reserve System.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series O Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks equally with the Series O Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; and Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock for so long as (i) any Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; and Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock is outstanding and (ii) the terms of the Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; and Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Articles of Amendment that initially established the Series O Preferred Stock.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change (including any prospective change) in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series O Preferred Stock, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series O Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series O Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series O Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy rules of the Federal Reserve (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series O Preferred Stock is outstanding.

"Series O Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series O Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series O Preferred Stock. Commencing on September 1, 2020, these dividends will be payable quarterly in arrears on each March 1, June 1, September 1 and December 1 of each year; *provided, however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series O Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series O Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate equal to the Dividend Rate. The record date for payment of dividends on the Series O Preferred Stock shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series O Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series O Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series O Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period and the Corporation shall have no obligation to pay, and the holders of Series O Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series O Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series O Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation other than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series O Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series O Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series O Preferred Stock and any Parity Stock, all dividends declared upon shares of Series O Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series O Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series O Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series O Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series O Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series O Preferred Stock

shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. Distributions will be made (i) only to the extent of the Corporation's assets that are available after satisfaction of liabilities to creditors, (ii) subject to the rights of holders of any securities ranking senior to the Series O Preferred Stock and (iii) *pro rata* as to the Series O Preferred Stock and any Parity Stock. The holder of Series O Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series O Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series O Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series O Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series O Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Series O Preferred Stock is perpetual and has no maturity date. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series O Preferred Stock on June 1, 2025, or on any Dividend Payment Date thereafter, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series O Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid to, but excluding, the date of redemption (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of intent to redeem, as provided in Section (b) below, all (but not less than all) of the shares of Series O Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series O Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series O Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series O Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series O Preferred Stock. Each notice shall state (i) the date of redemption; (ii) the number of shares of Series O Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such holder; (iii) the Redemption Price; (iv) the place or places where such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the date of redemption.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series O Preferred Stock at the time outstanding, the shares of Series O Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series O Preferred Stock in proportion to the number of Series O Preferred Stock held by such holders or by lot. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series O Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the date of redemption specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any share so called for redemption has not been surrendered for cancellation, on and after the date of redemption all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such date of redemption, and all rights with respect to such shares shall forthwith on such date of redemption cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the date of redemption from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the date of

redemption shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series O Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series O Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the articles of incorporation or of any articles amendatory thereof or supplemental thereto (including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series O Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series O Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series O Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series O Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series O Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series O Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation;

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series O Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series O Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series O Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default

in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two additional directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series O Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series O Preferred Stock as to payment of dividends is a "Preferred Director."

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series O Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series O Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series O Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series O Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series O Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two additional directors to the Board of Directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series O Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series O Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series O Preferred Stock and any other class or series of preferred stock

that ranks on parity with Series O Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series O Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series O Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series O Preferred Stock shall not have any rights to convert such Series O Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series O Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series O Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series O Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided, however*, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series O Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series O Preferred Stock are not subject to the operation of a sinking fund.

(q) Series P Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock.

Section 1. Designation. The designation of the series of preferred stock shall be Series P Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series P Preferred Stock"). Each share of Series P Preferred Stock shall be identical in all respects to every other share of Series P Preferred Stock. Series P Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment

of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series P Preferred Stock shall be 40,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series P Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series P Preferred Stock.

Section 3. Definitions. As used herein with respect to Series P Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Charlotte, North Carolina.

"Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, provided that the Corporation shall use its best efforts to ensure that there is, at all relevant times on and after the Reset Dividend Determination Date when the Series P Preferred Stock is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be the Corporation itself or a person or entity affiliated with the Corporation.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Federal Reserve" means the Board of Governors of the Federal Reserve System.

"First Reset Date" shall have the meaning set forth in Section 4(a) hereof.

"Five-Year U.S. Treasury Rate" means:

(i) The average of the yields on actively traded U.S. treasury securities adjusted to constant maturity, for five-year maturities, for the five Business Days preceding the Reset Dividend Determination Date and appearing under the caption "Treasury Constant Maturities" in the most recently published statistical release designated H.15 Daily Update or any successor publication which is published by the Federal Reserve, as determined by the Calculation Agent in its sole discretion.

(ii) If no calculation is provided as described above, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the Five-Year U.S. Treasury Rate, shall determine the Five-Year U.S. Treasury Rate in its sole discretion, provided that if the Calculation Agent determines there is an industry-accepted successor rate, then the Calculation Agent shall use such successor rate. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent in its sole discretion may adjust the spread and may determine the Business Day convention, the definition of business day and the Reset Dividend Determination Date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the Five-Year U.S. Treasury Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

The Five-Year U.S. Treasury Rate shall be determined by the Calculation Agent on the third Business Day immediately preceding the applicable Reset Date. If the Five-Year U.S. Treasury Rate for any Dividend Period cannot be determined pursuant to the methods described in clauses (i) and (ii) above, such Five-Year U.S. Treasury Rate will be the same as the dividend rate determined for the immediately preceding Dividend Period.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series P Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks equally with the Series P Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock; and Series O Non-Cumulative Perpetual Preferred Stock for so long as (i) any Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock; and Series O Non-Cumulative Perpetual Preferred Stock is outstanding and (ii) the terms of the Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative

Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock; and Series O Non-Cumulative Perpetual Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Articles of Amendment that initially established the Series P Preferred Stock.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change (including any prospective change) in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series P Preferred Stock, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series P Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series P Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series P Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy rules of the Federal Reserve (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series P Preferred Stock is outstanding.

"Reset Date" means the First Reset Date and each date falling on the fifth anniversary of the preceding Reset Date. Reset Dates, including the First Reset Date, will not be adjusted for Business Days.

"Reset Dividend Determination Date" means, in respect of any Reset Period, the day falling three Business Days prior to the beginning of such Reset Period.

"Reset Period" means the period from and including the First Reset Date to, but excluding, the next following Reset Date and thereafter each period from and including each Reset Date to, but excluding, the next following Reset Date.

"Series P Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series P Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series P Preferred Stock. Commencing on December 1, 2020, these dividends will be payable semi-annually in arrears on each June 1 and December 1 of each year; *provided, however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other

payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series P Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series P Preferred Stock will accrue on the liquidation preference of $25,000 per share: (i) from the date of original issue to, but excluding, December 1, 2025 (the "First Reset Date"), at a fixed rate per annum equal to 4.950% and (ii) from, and including, the First Reset Date, during each Reset Period, at a rate per annum equal to the Five-Year U.S. Treasury Rate as of the most recent Reset Dividend Determination Date plus 4.605%. The record date for payment of dividends on the Series P Preferred Stock shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series P Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series P Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series P Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period and the Corporation shall have no obligation to pay, and the holders of Series P Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series P Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series P Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation other than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series P Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series P Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series P Preferred Stock and any Parity Stock, all dividends declared upon shares of Series P Preferred Stock and any Parity Stock shall be

declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series P Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series P Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series P Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series P Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series P Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. Distributions will be made (i) only to the extent of the Corporation's assets that are available after satisfaction of liabilities to creditors, (ii) subject to the rights of holders of any securities ranking senior to the Series P Preferred Stock and (iii) *pro rata* as to the Series P Preferred Stock and any Parity Stock. The holder of Series P Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series P Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series P Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series P Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series P Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger,

consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Series P Preferred Stock is perpetual and has no maturity date. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series P Preferred Stock during the three-month period prior to, and including, each Reset Date, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series P Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid to, but excluding, the date of redemption (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of intent to redeem, as provided in Section (b) below, all (but not less than all) of the shares of Series P Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series P Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least five days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series P Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series P Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series P Preferred Stock. Each notice shall state (i) the date of redemption; (ii) the number of shares of Series P Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such holder; (iii) the Redemption Price; (iv) the place or places where such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the date of redemption.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series P Preferred Stock at the time outstanding, the shares of Series P Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series P Preferred Stock in proportion to the number of Series P Preferred Stock held by such holders or by lot. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series P Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the date of redemption specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any share so called for redemption has not been surrendered for cancellation, on and after the date of redemption all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such date of redemption, and all rights with respect to such shares shall forthwith on such date of redemption cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the date of redemption from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the date of redemption shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series P Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series P Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the articles of incorporation or of any articles amendatory thereof or supplemental thereto (including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series P Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series P Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series P Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series P Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series P Preferred Stock and

all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series P Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation;

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series P Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series P Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series P Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two additional directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series P Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series P Preferred Stock as to payment of dividends is a "Preferred Director."

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series P Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series P Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series P Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series P Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series P Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two additional directors to the Board of Directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special

meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series P Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series P Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series P Preferred Stock and any other class or series of preferred stock that ranks on parity with Series P Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series P Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series P Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series P Preferred Stock shall not have any rights to convert such Series P Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series P Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series P Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series P Preferred Stock from time to time to such extent, in such manner, and

upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided, however*, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series P Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series P Preferred Stock are not subject to the operation of a sinking fund.

(r) Series Q Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock.

Section 1. Designation. The designation of the series of preferred stock shall be 5.100% Series Q Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series Q Preferred Stock"). Each share of Series Q Preferred Stock shall be identical in all respects to every other share of Series Q Preferred Stock. Series Q Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series Q Preferred Stock shall be 40,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series Q Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series Q Preferred Stock.

Section 3. Definitions. As used herein with respect to Series Q Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Charlotte, North Carolina.

"Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, provided that the Corporation shall use its best efforts to ensure that there is, at all relevant times on and after the Reset Dividend Determination Date when the Series Q Preferred Stock is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be the Corporation itself or a person or entity affiliated with the Corporation.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Federal Reserve" means the Board of Governors of the Federal Reserve System.

"First Reset Date" shall have the meaning set forth in Section 4(a) hereof.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series Q Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks equally with the Series Q Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; 4.800% Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock; Series O Non-Cumulative Perpetual Preferred Stock; and 4.950% Series P Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock for so long as (i) any Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; 4.800% Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock; Series O Non-Cumulative Perpetual Preferred Stock and 4.950% Series P Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock is outstanding and (ii) the terms of the Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; 4.800% Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock; Series O Non-Cumulative Perpetual Preferred Stock and 4.950% Series P Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Articles of Amendment that initially established the Series Q Preferred Stock.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change (including any prospective change) in,

the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series Q Preferred Stock, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series Q Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series Q Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series Q Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy rules of the Federal Reserve (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series Q Preferred Stock is outstanding.

"Reset Date" means the First Reset Date and each date falling on the tenth anniversary of the preceding Reset Date. Reset Dates, including the First Reset Date, will not be adjusted for Business Days.

"Reset Dividend Determination Date" means, in respect of any Reset Period, the day falling three Business Days prior to the beginning of such Reset Period.

"Reset Period" means the period from and including the First Reset Date to, but excluding, the next following Reset Date and thereafter each period from and including each Reset Date to, but excluding, the next following Reset Date.

"Series Q Preferred Stock" shall have the meaning set forth in Section 1 hereof.

"Ten-Year U.S. Treasury Rate" means:

(i) The average of the yields on actively traded U.S. treasury securities adjusted to constant maturity, for ten-year maturities, for the five Business Days preceding the Reset Dividend Determination Date and appearing under the caption "Treasury Constant Maturities" in the most recently published statistical release designated H.15 Daily Update or any successor publication which is published by the Federal Reserve, as determined by the Calculation Agent in its sole discretion.

(ii) If no calculation is provided as described above, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the Ten-Year U.S. Treasury Rate, shall determine the Ten-Year U.S. Treasury Rate in its sole discretion, provided that if the Calculation Agent determines there is an industry-accepted successor rate, then the Calculation Agent shall use such successor rate. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent in its sole discretion may adjust the spread and may determine the Business Day convention, the definition of business day and the Reset Dividend Determination Date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the Ten-Year U.S. Treasury Rate,

in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

The Ten-Year U.S. Treasury Rate shall be determined by the Calculation Agent on the third Business Day immediately preceding the applicable Reset Date. If the Ten-Year U.S. Treasury Rate for any Dividend Period cannot be determined pursuant to the methods described in clauses (i) and (ii) above, such Ten-Year U.S. Treasury Rate will be the same as the dividend rate determined for the immediately preceding Dividend Period.

Section 4. Dividends.

(a) Rate. Holders of Series Q Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series Q Preferred Stock. Commencing on March 1, 2021, these dividends will be payable semi-annually in arrears on each March 1 and September 1 of each year; *provided, however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series Q Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series Q Preferred Stock will accrue on the liquidation preference of $25,000 per share: (i) from the date of original issue to, but excluding, September 1, 2030 (the "First Reset Date"), at a fixed rate per annum equal to 5.100% and (ii) from, and including, the First Reset Date, during each Reset Period, at a rate per annum equal to the Ten-Year U.S. Treasury Rate as of the most recent Reset Dividend Determination Date plus 4.349%. The record date for payment of dividends on the Series Q Preferred Stock shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series Q Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series Q Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series Q Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period and the Corporation shall have no obligation to pay, and the holders of Series Q Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series Q Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series Q Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation other than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series Q Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series Q Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series Q Preferred Stock and any Parity Stock, all dividends declared upon shares of Series Q Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series Q Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series Q Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series Q Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series Q Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series Q Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. Distributions will be made (i) only to the extent of the Corporation's assets that are available after satisfaction of liabilities to creditors, (ii) subject to the rights of holders of any securities ranking senior to the Series Q Preferred Stock and (iii) *pro rata* as to the Series Q Preferred Stock and any Parity Stock. The holder of Series Q Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series Q Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series Q Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series Q Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series Q Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Series Q Preferred Stock is perpetual and has no maturity date. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series Q Preferred Stock during the six-month period prior to, and including, each Reset Date, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series Q Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid to, but excluding, the date of redemption (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of intent to redeem, as provided in Section (b) below, all (but not less than all) of the shares of Series Q Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series Q Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least five days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series Q Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such

notice or in the mailing or transmittal thereof, to any holder of shares of Series Q Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series Q Preferred Stock. Each notice shall state (i) the date of redemption; (ii) the number of shares of Series Q Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such holder; (iii) the Redemption Price; (iv) the place or places where such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the date of redemption.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series Q Preferred Stock at the time outstanding, the shares of Series Q Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series Q Preferred Stock in proportion to the number of Series Q Preferred Stock held by such holders or by lot. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series Q Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the date of redemption specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any share so called for redemption has not been surrendered for cancellation, on and after the date of redemption all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such date of redemption, and all rights with respect to such shares shall forthwith on such date of redemption cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the date of redemption from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the date of redemption shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series Q Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or

consent of the holders of at least 66-2/3% of all of the shares of the Series Q Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the articles of incorporation or of any articles amendatory thereof or supplemental thereto (including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series Q Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series Q Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series Q Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series Q Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series Q Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series Q Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation;

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series Q Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series Q Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series Q Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two additional directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series Q Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series Q Preferred Stock as to payment of dividends is a "Preferred Director."

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series Q

Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series Q Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series Q Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series Q Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series Q Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two additional directors to the Board of Directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series Q Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series Q Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series Q Preferred Stock and any other class or series of preferred stock that ranks on parity with Series Q Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series Q Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series Q Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of

directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series Q Preferred Stock shall not have any rights to convert such Series Q Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series Q Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series Q Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series Q Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided, however*, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series Q Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series Q Preferred Stock are not subject to the operation of a sinking fund.

(s) Series R Non-Cumulative Perpetual Preferred Stock.

Section 1. Designation. The designation of the series of preferred stock shall be Series R Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series R Preferred Stock"). Each share of Series R Preferred Stock shall be identical in all respects to every other share of Series R Preferred Stock. Series R Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series R Preferred Stock shall be 37,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series R Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of articles pursuant to the provisions of the North Carolina Business Corporation Act stating that such increase or reduction, as the case may be,

has been so authorized. The Corporation shall have the authority to issue fractional shares of Series R Preferred Stock.

Section 3. Definitions. As used herein with respect to Series R Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York or Charlotte, North Carolina.

"Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Rate" means a rate per annum equal to 4.75%.

"DTC" means The Depository Trust Company, together with its successors and assigns.

"Federal Reserve" means the Board of Governors of the Federal Reserve System.

"Junior Stock" means the Corporation's common stock and any other class or series of stock of the Corporation hereafter authorized over which Series R Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"Parity Stock" means any other class or series of stock of the Corporation that ranks equally with the Series R Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; 4.800% Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock; Series O Non-Cumulative Perpetual Preferred Stock; 4.950% Series P Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock and 5.100% Series Q Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock for so long as (i) any Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; 4.800% Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock; Series O Non-Cumulative Perpetual Preferred Stock; 4.950% Series P Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock and 5.100% Series Q Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock is outstanding and (ii) the terms of the Series D Non-Cumulative Perpetual Preferred Stock; Series E Non-Cumulative Perpetual Preferred Stock; Series F Non-

Cumulative Perpetual Preferred Stock; Series G Non-Cumulative Perpetual Preferred Stock; Series H Non-Cumulative Perpetual Preferred Stock; Perpetual Preferred Stock, Series I; Perpetual Preferred Stock, Series J; Perpetual Preferred Stock, Series K; Perpetual Preferred Stock, Series L; Perpetual Preferred Stock, Series M; 4.800% Series N Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock; Series O Non-Cumulative Perpetual Preferred Stock; 4.950% Series P Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock and 5.100% Series Q Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Articles of Amendment that initially established the Series R Preferred Stock.

"Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

"Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

"Regulatory Capital Treatment Event" means the Corporation's determination, in good faith, that, as a result of (i) any amendment to, or change (including any prospective change) in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series R Preferred Stock, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series R Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series R Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series R Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy rules of the Federal Reserve (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series R Preferred Stock is outstanding.

"Series R Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) Rate. Holders of Series R Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series R Preferred Stock. Commencing on December 1, 2020, these dividends will be payable quarterly in arrears on each March 1, June 1, September 1 and December 1 of each year; *provided, however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series R Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series R Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate equal to the Dividend Rate. The record date for payment of dividends on the Series R Preferred Stock shall

be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not exceeding 30 days before the applicable Dividend Payment Date, as shall be fixed by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series R Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) Non-Cumulative Dividends. Dividends on shares of Series R Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series R Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall not accrue or be payable for such Dividend Period and the Corporation shall have no obligation to pay, and the holders of Series R Preferred Stock shall have no right to receive, dividends for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series R Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) Priority of Dividends. So long as any share of Series R Preferred Stock remains outstanding, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation other than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series R Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, in each case unless full dividends on all outstanding shares of Series R Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. When dividends are not paid in full upon the shares of Series R Preferred Stock and any Parity Stock, all dividends declared upon shares of Series R Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series R Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series R Preferred Stock that may be in arrears. If the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series R Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the

Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series R Preferred Stock or Parity Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series R Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. Distributions will be made (i) only to the extent of the Corporation's assets that are available after satisfaction of liabilities to creditors, (ii) subject to the rights of holders of any securities ranking senior to the Series R Preferred Stock and (iii) *pro rata* as to the Series R Preferred Stock and any Parity Stock. The holder of Series R Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series R Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series R Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences plus any authorized, declared and unpaid dividends of Series R Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series R Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Series R Preferred Stock is perpetual and has no maturity date. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series R Preferred Stock on September 1, 2025, or on any Dividend Payment Date thereafter, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series R Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid to, but excluding, the date of redemption (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of intent to redeem, as provided in Section (b) below, all (but not less than all) of the shares of Series R Preferred Stock at the time outstanding at the Redemption Price applicable on such date of redemption.

(b) Notice of Redemption. Notice of every redemption of shares of Series R Preferred Stock shall be either (1) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (2) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series R Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series R Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series R Preferred Stock. Each notice shall state (i) the date of redemption; (ii) the number of shares of Series R Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed by such holder; (iii) the Redemption Price; (iv) the place or places where such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the date of redemption.

(c) Partial Redemption. In case of any redemption of only part of the shares of Series R Preferred Stock at the time outstanding, the shares of Series R Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series R Preferred Stock in proportion to the number of Series R Preferred Stock held by such holders or by lot. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series R Preferred Stock shall be redeemed from time to time.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the date of redemption specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in

trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any share so called for redemption has not been surrendered for cancellation, on and after the date of redemption all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such date of redemption, and all rights with respect to such shares shall forthwith on such date of redemption cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the date of redemption from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the date of redemption shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series R Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) Supermajority Voting Rights—Amendments. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series R Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the articles of incorporation or of any articles amendatory thereof or supplemental thereto (including any articles of amendment or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series R Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series R Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series R Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series R Preferred Stock.

(b) Supermajority Voting Rights—Priority. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series R Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional

class or series of stock ranking prior to the shares of the Series R Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation;

(c) Special Voting Right.

(i) Voting Right. If and whenever dividends on the Series R Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series R Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series R Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of common stock, to elect two additional directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series R Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series R Preferred Stock as to payment of dividends is a "Preferred Director."

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of shareholders or any special meeting of the holders of Series R Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series R Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, the secretary of the Corporation may, and upon the written request of any holder of Series R Preferred Stock (addressed to the secretary at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of Series R Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series R Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two additional directors to the Board of Directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's by-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series R Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as

provided in this Section 7(c)(iii), and for that purpose will have access to the stock register of the Corporation. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series R Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the shareholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series R Preferred Stock and any other class or series of preferred stock that ranks on parity with Series R Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series R Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's board of directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series R Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series R Preferred Stock shall not have any rights to convert such Series R Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the articles of incorporation or these Articles of Amendment to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series R Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7(b), any class of securities ranking senior to the Series R Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series R Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; *provided, however*, that the

Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series R Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series R Preferred Stock are not subject to the operation of a sinking fund.

ARTICLE V

Each director shall be elected by a majority of the votes cast with respect to the director by the shares represented in person or by proxy and entitled to vote at any meeting for the election of directors at which a quorum is present; provided, however, that, in the event of a contested election of directors, directors shall be elected by the vote of a plurality of the votes represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this Article V: (a) a majority of the votes cast means that the number of shares voted "for" a director must exceed the number of votes cast "against" that director; provided that neither abstentions nor broker non-votes will be deemed to be votes "for" or "against" a director's election; and (b) a contested election shall mean any election of directors in which the number of candidates for election as directors exceeds the number of directors to be elected and the excess number is the result of a timely nomination by a shareholder or shareholders in accordance with Article II, Section 10 of the Bylaws, as determined by the Secretary of the Corporation as of the close of the applicable notice of nomination period set forth in said Article II, Section 10. The number and term of directors of the Corporation and the filling of any vacancy occurring in the Board of Directors shall be fixed by or in accordance with the Bylaws.

ARTICLE VI

In addition to the general powers granted corporations under the laws of the State of North Carolina, the Corporation shall have full power and authority to do the following:

(a) To acquire, by purchase or otherwise, the goodwill, business, property rights, franchises and assets of every kind, with or without undertaking either wholly or in part the liabilities, of any person, firm, association or corporation; and to acquire any property or business as a going concern or otherwise (i) by purchase of the assets thereof wholly or in part, (ii) by acquisition of the shares of any part thereof, or (iii) in any other manner, and to pay for the same in cash or in shares or bonds or other evidences of indebtedness of the Corporation, or otherwise; to hold, maintain and operate, or in any manner dispose of, the whole or any part of the goodwill, business, rights and property so acquired, and to conduct in any lawful manner the whole or any part of any business so acquired; and to exercise all the powers necessary or convenient in and about the management of such business.

(b) To subscribe or cause to be subscribed for, and to take, purchase and otherwise acquire, own, hold, use, sell, assign, transfer, exchange, distribute and otherwise dispose of, the whole or any part of the shares of the capital stock, bonds, coupons, mortgages, deeds of trust, debentures, securities, obligations, evidences of indebtedness, notes, goodwill, rights, assets and property of any and every kind, or any part thereof, of any other corporation or corporations, association or associations, firm or firms, or person or persons, together with shares, rights, units or interest in, or in respect of, any trust estate, now or hereafter existing, and whether created by the laws of the State of North Carolina or any other state, territory or country; and to operate, manage and control such properties, or any of them either in the name of such other corporation or corporations or in the name of the Corporation, and while the owners of any of said shares of capital stock to exercise all the rights, powers and privileges of ownership of every kind and description, including the right to vote thereon, with power to designate some person or persons for that purpose from time to time, and to the same extent as natural persons might or could do.

(c) To promote or aid in any manner, financially or otherwise, any person, firm, corporation or association of which any shares of stock, bonds, notes, debentures or other securities or evidences of indebtedness are held directly or indirectly by the Corporation, and for this purpose to guarantee the contracts, dividends, shares, bonds, debentures, notes and other obligations of such other persons, firms, corporations or associations; and to do any other act or things designed to protect, preserve, improve or enhance the value of such shares, bonds, notes, debentures or other securities or evidences of indebtedness.

(d) To acquire by purchase, subscription, exchange, or in any other lawful manner, and to hold, receive, use, mortgage, pledge, sell, assign, transfer, exchange, dispose of, and otherwise deal in and with securities (which term, for the purpose of this Article VI, includes, without limitation of the generality thereof, shares of stock, other shares, bonds, debentures, notes, mortgages, or other obligations, and certificates, receipts, warrants, or other instruments representing rights or options to receive, purchase or subscribe for any of the same, or representing any other rights or interests therein or in any property or assets) created or issued by any persons, firms, associations, trusts, partnerships, corporations, joint ventures, syndicates, or governments or subdivisions thereof; to pay for securities (as defined in this Article VI) (i) in cash, (ii) by exchange of shares of stock, bonds, or other evidences of indebtedness of the Corporation for such securities acquired, (iii) in cash and by such exchange of shares of stock, bonds or evidences of indebtedness, or (iv) in any other lawful manner; and to exercise, as owner or holder of any such securities as herein defined, any and all rights, powers and privileges in respect thereof.

ARTICLE VII

No holder of: (a) any shares of stock of any class of the Corporation, common or preferred, or (b) any options, rights or warrants to purchase any stock, or (c) any shares or obligations convertible into shares of any class shall be entitled as of right as such holder to purchase or to subscribe for any unissued shares of any class nor any increased shares to be issued by reason of any increase in the authorized capital stock of the Corporation, or any bonds, certificates of indebtedness, debentures, or other securities convertible into shares of stock of the

Corporation or carrying any right to purchase shares of stock of any class, whether now or hereafter authorized; and no such holder shall have any preemptive or preferential right to purchase or to subscribe for any unissued, additional or increased shares or any such bonds, certificates of indebtedness, debentures or other securities; but any such unissued, additional or increased shares of stock, and any such bonds, certificates of indebtedness, debentures or other securities convertible into shares of stock or carrying any right to purchase shares may be issued, sold, exchanged or disposed of from time to time by authority of the Board of Directors of the Corporation to such persons, firms, or corporations and for such consideration and upon such terms as the Board of Directors in the exercise of its discretion shall from time to time determine and deem advisable.

ARTICLE VIII

The Board of Directors of the Corporation shall have power by vote of a majority of the directors then holding office and without the assent or vote of the shareholders to adopt, make, alter, amend and rescind the Bylaws of the Corporation.

ARTICLE IX

To the fullest extent permitted by the North Carolina Business Corporation Act, as the same exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation, its shareholders or otherwise for monetary damage for breach of his duty as a director. Any repeal or modification of this Article IX shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

Exhibit 4.9

DESCRIPTION OF THE SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of February 22, 2021, Truist Financial Corporation has three classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) common stock; (2) six series of depositary shares representing interests in preferred stock and (3) preferred purchase securities representing interests in preferred stock.

Authorized Capital Stock

Truist Financial Corporation's authorized capital stock consists of 2,000,000,000 shares of common stock, par value $5.00 per share and 5,000,000 shares of preferred stock, par value $5.00 per share. All outstanding shares of our capital stock are fully paid and non-assessable.

DESCRIPTION OF COMMON STOCK

The following description of common stock is a summary and does not purport to be complete and is qualified in its entirely by the applicable provisions of federal law governing bank holding companies, North Carolina law and our articles of incorporation and bylaws. Our articles of incorporation and bylaws are incorporated by reference as Exhibits to this Annual Report on Form 10-K.

Voting Rights. Each share of our common stock is entitled to one vote on all matters submitted to a vote at any meeting of shareholders. Holders of our common stock do not have cumulative voting rights. The rights and privileges of holders of our common stock are subject to any preferences that our board of directors may set for any series of our preferred stock that we may issue in the future.

Dividends. Holders of our common stock are entitled to receive dividends when, as, and if, declared by our board of directors out of funds legally available for the payment of dividends.

Liquidation Rights. Holders of our common stock are entitled upon liquidation, to receive pro rata all assets, if any, of Truist Financial Corporation available for distribution after the payment of necessary expenses and all prior claims.

Other Rights and Preferences. Holders of our common stock do not have preemptive, redemption or conversion rights

Listing. Our common stock is traded on the New York Stock Exchange under the trading symbol "TFC."

DESCRIPTION OF DEPOSITARY SHARES AND PREFERRED PURCHASE SECURITIES REPRESENTING INTERESTS IN SHARES OF PREFERRED STOCK

Depositary Shares

The description set forth below of certain provisions of the deposit agreement and of the depositary shares and depositary receipts does not purport to be complete and is subject to and qualified in its entirety by reference to the forms of deposit agreement and depositary receipts relating to each series of preferred stock.

As of February 22, 2021, Truist Financial Corporation has the following depositary shares registered under Section 12 of the Exchange Act:

i. Depositary Shares each representing 1/1,000th interest in a share of Series F Non-Cumulative Perpetual Preferred Stock

ii. Depositary Shares each representing 1/1,000th interest in a share of Series G Non-Cumulative Perpetual Preferred Stock

iii. Depositary Shares each representing 1/1,000th interest in a share of Series H Non-Cumulative Perpetual Preferred Stock

iv. Depositary Shares each representing 1/4,000th interest in a share of Series I Perpetual Preferred Stock

v. Depositary Shares each representing 1/1,00th interest in a share of Series O Non-Cumulative Perpetual Preferred Stock

vi. Depositary Shares each representing 1/1,00th interest in a share of Series R Non-Cumulative Perpetual Preferred Stock

We refer to the above series of preferred stock represented by depositary shares, as well as the Series J Perpetual Preferred Stock (as described below) collectively as the "Preferred Stock."

The shares of each applicable series of the Preferred Stock have been deposited under a deposit agreement for such series among us, either (1) U.S. Bank National Association, acting as depositary, or (2) Computershare Inc. and Computershare Trust Company, N.A., acting jointly as depositary, as applicable, and the holders from time to time of depositary receipts issued under the agreement (each such deposit agreement, with respect to the series of Preferred Stock to which it relates, a "deposit agreement"). Subject to the terms of the deposit agreement, each owner of depositary shares will be entitled, in proportion to the applicable fractional interests in shares of preferred stock underlying such depositary shares, to all the rights and preferences of the preferred stock underlying such depositary shares including dividend, voting, redemption, conversion and liquidation rights.

The depositary shares will be evidenced by depositary receipts issued pursuant to the deposit agreement. Depositary receipts will be distributed to those persons purchasing the fractional interests in shares of the related series of preferred stock in accordance with the terms of the offering described in the related prospectus supplement.

Dividends and Other Distributions. The depositary will distribute all cash dividends or other cash distributions received in respect of preferred stock to the record holders of depositary shares relating to such preferred stock in proportion to the numbers of such depositary shares owned by such holders on the relevant record date. The depositary shall distribute only the amount, however, that can be distributed without attributing to any holder of depositary shares a fraction of one cent, and any balance not so distributed shall be added to and treated as part of the next sum received by the depositary for distribution to record holders of depositary shares.

In the event of a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary shares entitled thereto, unless the depositary determines that it is not feasible to make such distribution. If this happens, the depositary may, with our approval, sell the property and distribute the net sale proceeds to the holders.

Redemption of Depositary Shares. If a series of the preferred stock underlying the depositary shares is subject to redemption, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption, in whole or in part, of such series of the preferred stock held by the depositary. The depositary shall mail notice of redemption not less than 30 days and not more than 60 days prior to the date fixed for redemption to the record holders of the depositary shares to be so redeemed at their respective addresses appearing in the depositary's books. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per share payable with respect to that series of the preferred stock. Whenever we redeem shares of preferred stock held by the depositary, the depositary will redeem as of the same redemption date the number of depositary shares relating to shares of preferred stock so redeemed. If less than all of the depositary shares are to be redeemed, the depositary shares to be redeemed will be selected by lot or pro rata as may be determined by the depositary.

After the date fixed for redemption, the depositary shares called for redemption will no longer be deemed to be outstanding and all rights of the holders of the depositary shares will cease, except the right to receive the money, securities or other property payable upon such redemption and any money, securities or other property to which the holders of the depositary shares were entitled upon such redemption after surrender to the depositary of the depositary receipts evidencing the depositary shares.

Voting. Upon receipt of notice of any meeting at which the holders of the preferred stock are entitled to vote, the depositary will mail the information contained in such notice of meeting to the record holders of the depositary shares relating to such preferred stock. Each record holder of depositary shares on the record date, which will be the same date as the record date for the preferred stock, will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the number of shares of preferred stock underlying such holder's depositary shares. The depositary will endeavor, insofar as practicable, to vote the number of shares of preferred stock underlying such depositary shares in accordance with such instructions and we will agree to take all action that the depositary may deem necessary to enable the depositary to do so.

Amendment and Termination of Depositary Agreement. We may enter into an agreement with the depositary at any time to amend the form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement. However, the holders of a majority of the depositary shares must approve any amendment which materially and adversely alters the rights of the existing holders of depositary shares. A deposit agreement may be terminated by us or by the depositary only if all outstanding depositary shares relating thereto have been redeemed or there has been a final distribution in respect of the preferred stock of the relevant series in connection with any liquidation, dissolution or winding up and such distribution has been distributed to the holders of the related depositary shares.

Charges of Depositary. We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will also pay charges of the depositary in connection with the initial deposit of the preferred stock and any redemption of the preferred stock. Holders of depositary shares will pay transfer and other taxes and governmental charges and such other charges as are expressly provided in the deposit agreement to be for their accounts.

Resignation and Removal of Depositary. The depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the depositary, any such resignation or removal to take effect upon the appointment of a successor depositary and its acceptance of such appointment. Such successor depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least $50,000,000.

Reports to Holders. The depositary will forward to the holders of depositary shares all reports and communications from us which are delivered to the depositary and which we are required to furnish to the holders of the preferred stock.

Limitation on Our and the Depositary's Liability. Neither the depositary nor we will be liable if prevented or delayed by law or any circumstance beyond control in performing its obligations under the deposit agreement. Our and the depositary's obligations under the deposit agreement will be limited to performance in good faith of our respective duties thereunder and will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred stock unless satisfactory indemnity is furnished. We and the depositary may rely upon written advice of counsel or accountants, or information provided by persons presenting preferred stock for deposit, holders of depositary shares or other persons believed to be competent and on documents believed to be genuine.

Corporate Trust Office of the Depositary. For Preferred Stock for which the depositary is U.S. Bank, National Association, the address of the depositary's corporate trust office is One Federal Street; 3rd Floor; Boston, MA 02110. For Preferred Stock for which the depositary is Computershare Inc. and Computershare Trust Company, N.A., the address of the depositary's corporate trust office is 150 Royall Street; Canton, Massachusetts 02021. The relevant depositary will act as transfer agent and registrar for depositary receipts.

Inspection by Holders. The depositary shall keep the books at the depositary's office at all reasonable times open for inspection by the record holders of depositary receipts, provided that any such holder requesting to exercise such right shall certify to the depositary that such inspection shall be for a proper purpose reasonably related to such person's interest as an owner of depositary shares evidenced by the receipts.

Listing. The depositary shares representing the Series F Preferred Stock, the Series G Preferred Stock, the Series H Preferred Stock, the Series I Preferred Stock, Series O Preferred Stock and Series R Preferred Stock are traded on the New York Stock Exchange under the trading symbols "TFC.PF," "TFC.PG," "TFC.PH," "TFC.PI," "TFC.PO" and "TCF.PR," respectively.

Preferred Purchase Securities

The description set forth below of the preferred purchase securities does not purport to be complete and is subject to and qualified in its entirety by reference to the Amended and Restated declaration of trust, as amended, of SunTrust Preferred Capital I (the "Trust") filed on October 16, 2006.

As of February 22, 2021, Truist Financial Corporation has the following preferred purchase securities registered under Section 12 of the Exchange Act:

i. 5.853% Fixed-to-Floating Rate Normal Preferred Purchase Securities each representing 1/100th interest in a share of Series J Perpetual Preferred Stock

Rank. If on any distribution date the Trust does not have funds available from dividends on the Series J preferred stock to make full distributions on the preferred purchase securities, then, if the deficiency in funds results from the failure to pay a full dividend on shares of Series J preferred stock on a Series J dividend payment date, the available funds from dividends on the Series J preferred stock shall be applied first to make distributions then due on the preferred purchase securities on a pro rata basis on such distribution date up to the amount of such distributions corresponding to dividends on the Series J preferred stock (or if less, the amount of the corresponding distributions that would have been made on the preferred purchase securities had we paid a full dividend on the Series J preferred stock).

If on any date where preferred purchase securities must be redeemed because we are redeeming Series J preferred stock and the Trust does not have funds available from our redemption of shares of Series J preferred stock to pay the full redemption price then due on all of the outstanding preferred purchase securities to be redeemed, then the available funds shall be applied first to pay the redemption price on the preferred purchase securities to be redeemed on such redemption date.

If an early dissolution event occurs in respect of the Trust, full liquidation distributions shall first be made on the preferred purchase securities. In the case of any event of default under the declaration of trust resulting from our failure to comply in any material respect with any of its obligations as issuer of the Series J preferred stock, including obligations set forth in our articles of incorporation or arising under applicable law, we will be deemed to have waived any right to act with respect to any such event of default under the declaration of trust until the effect of all such events of default with respect to the preferred purchase securities have been cured, waived or otherwise eliminated.

Dividends. Holders of preferred purchase securities are entitled to receive distributions corresponding to dividends on the Series J Preferred Stock held by the Trust. These cash dividends, which will be non-cumulative, will be payable if, as and when declared by our board of directors on the Series J dividend payment dates, which are quarterly in arrears on each March 15, June 15, September 15 and December 15 (or if such day is not a business day, the next business day).

Redemption. The preferred purchase securities have no stated maturity but must be redeemed on the date we redeem the Series J preferred stock, and the property trustee or paying agent will apply the proceeds from such repayment or redemption to redeem a like amount of the preferred purchase securities. The redemption price per preferred purchase securities will equal the redemption price of the Series J preferred stock. If notice of redemption of any Series J preferred stock has been given and if the funds necessary for the redemption have been set aside by for the benefit of the holders of any shares of Series J preferred stock so called for redemption, then, from and after the redemption date, those shares shall no longer be deemed outstanding and all rights of the holders of those shares (including the right to receive any dividends) will terminate, except the right to receive the redemption price.

If less than all of the shares of the Series J preferred stock held by the Trust are to be redeemed on a redemption date, then the proceeds from such redemption will be allocated pro rata to the redemption of the preferred purchase securities.

Notice of any redemption will be mailed at least thirty (30) days but not more than sixty (60) days before the redemption date to the registered address of each holder of preferred purchase securities to be redeemed.

Liquidation Rights. After the liquidation date fixed for any distribution of assets of the Trust:

i. the preferred purchase securities will no longer be deemed to be outstanding;

ii. if the assets to be distributed are shares of Series J preferred stock, DTC or its nominee, as the record holder of the preferred purchase securities, will receive a registered global certificate or certificates representing the Series J preferred stock to be delivered upon such distribution;

iii. any certificates representing the preferred purchase securities not held by DTC or its nominee or surrendered to the exchange agent will be deemed to represent shares of Series J preferred stock having a liquidation preference equal to the preferred purchase securities until such certificates are so surrendered for transfer and reissuance; and

iv. all rights of the holders of the preferred purchase securities will cease, except the right to receive Series J preferred stock upon such surrender.

Since each preferred purchase securities corresponds to 1/100th of a share of Series J preferred stock, holders of preferred purchase securities may receive fractional shares of Series J preferred stock or depositary shares representing the Series J preferred stock upon this distribution.

Voting Rights. The holders of the preferred purchase securities have no voting rights or control over the administration, operation or management of the Trust or the obligations of the parties to the declaration of trust, including in respect of Series J preferred stock beneficially owned by the Trust.

Registrar, Transfer Agent and Listing. U.S. Bank National Association acts as registrar and transfer agent for the preferred purchase securities.

Listing. The preferred purchase securities representing the Series J Preferred Stock are traded on the New York Stock Exchange under the trading symbols "TFC.PJ."

Preferred Stock

As described above, we have depositary shares and preferred purchase securities registered under Section 12 of the Exchange Act that represent interests in the Preferred Stock. This section describes the Preferred Stock, interests in which are represented by the depositary shares and preferred purchase securities.

Other than as described below, the terms of the Series F Preferred Stock, the Series G Preferred Stock, the Series H Preferred Stock, Series O Preferred Stock and Series R Preferred Stock are substantially similar, and the terms of the Series I Preferred Stock and Series J Preferred Stock are substantially similar.

Rank. Each series of Preferred Stock ranks on a parity with each other and at least equally with each other series of our preferred stock we may issue, with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up. The shares of the Preferred Stock have no preemptive rights.

Conversion. The Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of our stock or other securities. The Preferred Stock has no stated maturity and will not be subject to any sinking fund or other obligation of ours to redeem or repurchase the Preferred Stock.

Dividends. Holders of the Preferred Stock are entitled to receive, when and as declared by the Board of Directors or a duly authorized committee of the board, out of legally available assets, payable quarterly at the rate specified below.

i. Series F Preferred Stock and Series G Preferred Stock: noncumulative cash dividends at a per annum rate equal to 5.200%.

ii. Series H Preferred Stock: noncumulative cash dividends at a per annum rate equal to 5.625%.

iii. Series I and Series J Preferred Stock: cash dividends at a rate per annum equal to the greater of (1) 0.53% above 3-Month LIBOR on the related dividend determination date or (2) 4.00%; multiplied by a fraction, the numerator of which is the actual number of days in such dividend period and the denominator of which shall be 360, and then multiplied by $100,000.

iv. Series O Preferred Stock: noncumulative cash dividends at a per annum rate equal to 5.25%.

v. Series R Preferred Stock: noncumulative cash dividends at a per annum rate equal to 4.75%.

Redemption. The Series F Preferred Stock, the Series G Preferred Stock, the Series H Preferred Stock, the Series O Preferred Stock, and the Series R Preferred Stock are not and will not be subject to any mandatory redemption provisions. The Series I Preferred Stock and Series J Preferred Stock may be redeemed in whole or in part at any time on or after December 15, 2024, with notice of redemption being mailed to holders at least 30 days and not more than 60 days prior to the date fixed for redemption The Series O Preferred Stock may be redeemed in whole or in part at any time on or after June 1, 2025, with notice of redemption being mailed to holders at least 30 days and not more than 60 days prior to the date fixed for redemption. The Series R Preferred Stock may be redeemed in whole or in part at any time on or after September 1, 2025, with notice of redemption being mailed to holders at least 30 days and not more than 60 days prior to the date fixed for redemption.

The Preferred Stock is redeemable, subject to receipt of any required regulatory approvals, in whole or in part as follows:

i. the Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock, Series O Preferred Stock and Series R Preferred Stock is redeemable at a redemption price of $25,000.00 per share plus accrued and unpaid dividends, without accumulation of any undeclared dividends and may be redeemed in whole, but not in part, at our option (subject to the approval of the appropriate federal banking agency) within 90 days of a regulatory capital treatment event, at a redemption price equal to $25,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends.

ii. the Series I Preferred Stock and Series J Preferred Stock is redeemable at a redemption price of $100,000 plus an amount equal to (i) any declared and unpaid dividends for any prior dividend periods plus (ii) any declared and unpaid dividends for the dividend period in which the redemption date occurs (if applicable) multiplied by a fraction, the numerator of which is the number of days in such dividend period prior to the redemption date, and the denominator of which is the total number of days in such dividend period.

Liquidation Rights. In the event of any voluntary or involuntary dissolution, liquidation or winding up, the Series I Preferred Stock and Series J Preferred Stock are entitled to receive an amount equal to $100,000 plus an amount equal to (i) any declared and unpaid dividends for any prior dividend periods plus (ii) any declared and unpaid dividends for the dividend period in which the liquidation event occurs (if applicable) multiplied by a fraction, the numerator of which is the number of days in such dividend period prior to the date of the liquidation event, and the denominator of which is the total number of days in such dividend period.

Voting Rights. Holders of Preferred Stock do not have any voting rights except as described below.

Whenever dividends on any shares of the Preferred Stock or any other class or series of preferred stock that ranks on parity with the Preferred Stock as to payment of dividends, and upon which similar voting rights have been conferred and are exercisable, shall have not been declared and paid for an amount equal to six or more dividend payments, whether or not for consecutive dividend periods, the number of directors on our board of directors shall automatically increase by two and the holders of shares of each of the Preferred Stock, together with the holders of all other affected classes and series of parity stock, voting as a single class, shall be entitled to elect the two additional directors. These voting rights will continue until full dividends have been paid regularly on the shares of the Preferred Stock and any other class or series of parity stock as to payment of dividends for at least four dividend consecutive periods.

So long as any shares of the Preferred Stock remain outstanding, (1) the vote or consent of the holders of at least 662/3% of the shares of each series of the Preferred Stock and all other parity stock, voting as a single class, shall be necessary to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any class or series of stock ranking senior to the Preferred Stock and all other parity stock with respect to payment of dividends or the distribution of assets upon our liquidation, dissolution or winding up; and (2) the vote or consent of the holders of at least 66-2/3% of the shares of each series of Preferred Stock shall be necessary to amend our articles of incorporation or the articles of amendment of the Preferred Stock or any other series of preferred stock so as to materially and adversely affect the powers, preferences, privileges or rights of the Preferred Stock, taken as a whole.

CERTAIN PROVISIONS THAT MAY HAVE AN ANTI-TAKOVER EFFECT

Provisions of the North Carolina Business Corporation Act (the "NCBCA") and our articles of incorporation and bylaws described below may be deemed to have an anti-takeover effect and, together with the ability of our board of directors to issue shares of our preferred stock and to set the voting rights, preferences and other terms of our preferred stock, may delay or prevent takeover attempts not first approved by our board of directors. These provisions also could delay or deter the removal of incumbent directors or the assumption of control by shareholders.

Control Share Acquisition Act. The NCBCA's Control Share Acquisition Act (the "Control Share Acquisition Act") may make an unsolicited attempt to gain control of Truist Financial Corporation more difficult by restricting the right of specified shareholders to vote newly acquired large blocks of stock.

The Control Share Acquisition Act is triggered upon the acquisition by a person of shares of voting stock of a covered corporation that, when added to all other shares beneficially owned by the person, would result in that person holding one-fifth, one-third or a majority of the voting power in the election of directors. Under the Control Share Acquisition Act, the shares acquired that result in the crossing of any of these thresholds have no voting rights until they are conferred by the affirmative vote of the holders of a majority of all outstanding voting shares, excluding those shares held by any person involved or proposing to be involved in the acquisition of shares in excess of the thresholds, any officer of the corporation and any employee of the corporation who is also a director of the corporation. If voting rights are conferred on the acquired shares, all shareholders of the corporation have the right to require that their shares be redeemed at the highest price paid per share by the acquiror for any of the acquired shares.

North Carolina Shareholder Protection Act. The North Carolina Shareholder Protection Act (the "Shareholder Protection Act") generally provides that, unless the transaction satisfies certain minimum fair price (as compared to market price, earnings per share and the price paid for shares by the acquiror) and procedural requirements, the affirmative vote of the holders of 95% of the voting shares of a corporation is necessary to adopt or authorize a business combination with any other entity, if that entity is the beneficial owner, directly or indirectly, of more than 20% of the voting shares of the corporation. The Shareholder Protection Act applies to all North Carolina corporations that have not expressly opted out of its provisions in their articles of incorporation or bylaws. We have explicitly opted out of the provisions of the Shareholder Protection Act in our bylaws.

Provisions Regarding Our Board of Directors. Our bylaws provide for a board of directors having not less than three nor more than 25 members as determined from time to time by vote of a majority of the members of our board of directors or by resolution by our shareholders. Each director is elected to serve for a term of one year, with each director's term to expire at the annual meeting next following the director's election as a director when a successor may be elected and qualified, unless the director dies, resigns, retires or is disqualified or removed before that meeting. Under our bylaws, our directors may be removed only for cause and only by the vote of a majority of the outstanding shares entitled to vote in the election of directors.

Meeting of Shareholders; Shareholders' Nominations and Proposals. Under our bylaws, meetings of the shareholders may be called by our chairman of the board of directors, chief executive officer, president, chief operating officer, secretary or our board of directors. Our shareholders may request a special meeting upon the written request of one or more shareholders, who own, or who are acting on behalf of one or more beneficial owners who own, shares representing at least 20% of the voting power entitled to vote on the matter or matters to be brought before the proposed special meeting, subject to certain procedural requirements, including that a special meeting cannot be called by the shareholders if two or more special meetings of shareholders called pursuant to the request of shareholders have been held within the 12-month period before the request was received. The procedures governing when shareholders may call a special meeting could delay shareholder actions that are favored by the holders of a majority of our outstanding voting securities until the next annual shareholders' meeting.

The procedures governing the submission of nominations for directors and other proposals by shareholders may also have a deterrent effect on shareholder actions designed to result in our change of control. Our bylaws require advance notice to our secretary regarding shareholder proposals and the nomination, other than by or at the direction of our board of directors or one of its committees, of candidates for election as directors, not later than (1) in the case of an annual meeting, at least 120 days but no more than 150 days in advance of the first anniversary of the notice date of our proxy statement for the preceding year's annual meeting; (2) in the case of a special meeting, at least 120 days but no more than 150 days in advance of the meeting date of the special meeting; provided, however, if the first public announcement of the date of the special meeting is less than 150 days prior to the date of the special meeting, notice by the shareholder shall not be later than the tenth day following the first public notice of the date for such special meeting; provided, further, if the special meeting is called for purposes not including the election of directors, notice by a shareholder may relate solely to items of business and not to nomination of any candidates for election as a director.

Notwithstanding the notice period specified above, in the event that the date of an annual meeting is advanced by more than 30 days or delayed by more than 60 days from the first anniversary date of the preceding year's annual meeting, notice by a shareholder must be delivered no earlier than the 150th day prior to such annual meeting and no later than the later of the 120th day prior to such annual meeting; provided, however, if the first public announcement date of such annual meeting is less than 150 days prior to the date of such annual meeting, notice by the shareholder shall not be later than the tenth day following the public notice date for such annual meeting. With respect to a shareholder intending to make a proposal for consideration at a meeting, the foregoing notice to the secretary must contain, among other information: a description of the proposal; the name, address and shareholdings of the shareholder submitting the proposal; any material interest of the shareholder in the proposal; and a representation that the shareholder is a holder of record of shares entitled to vote at the meeting and intents to appear in person or by proxy at such meeting to present the proposal. With respect to a shareholder intending to nominate a candidate for election as a director, the foregoing notice to the secretary must contain, among other information: the aforementioned information required for a shareholder proposal; certain biographical information about the nominee; information about the nominee's securities ownership in Truist Financial Corporation; and a signed statement by the nominee consenting to serve as a director if so elected. Failure of any shareholder to provide the notice, information or acknowledgements required by the foregoing provisions in a timely and proper manner shall authorize Truist Financial Corporation or the presiding officer at the meeting of shareholders before which such business is proposed to be introduced, or at which such nominee is proposed to be considered for election as a director, to rule such proposal or nomination out of order and not proper to be introduced or considered.

Restrictions on Ownership. The Bank Holding Company Act requires any bank holding company (as defined in that Act) to obtain the approval of the Federal Reserve Board prior to acquiring more than 5% of our outstanding common stock. Any person other than a bank holding company is required to obtain prior approval of the Federal Reserve Board to acquire 10% or more of our outstanding common stock under the Change in Bank Control Act. Any holder of 25% or more of our outstanding common stock, other than an individual is subject to regulation as a bank holding company, under the Bank Holding Company Act.

Exhibit 10.62

TRUIST FINANCIAL CORPORATION NON-QUALIFIED DEFINED CONTRIBUTION PLAN
(June 1, 2020 Restatement)

TRUIST FINANCIAL CORPORATION.
NON-QUALIFIED DEFINED CONTRIBUTION PLAN
(June 1, 2020 Restatement)

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TRUIST FINANCIAL CORPORATION NON-QUALIFIED DEFINED CONTRIBUTION PLAN
(June 1, 2020 Restatement)

ARTICLE I
ESTABLISHMENT AND PURPOSES OF THE PLAN

1.1. Establishment of Plan. Effective as of January 1, 1997, Southern National Corporation, a multi-banking holding company with principal subsidiaries that included Branch Banking and Trust Company, BB&T of South Carolina, and BB&T of Virginia, (the "Company") adopted the "Southern National Corporation Non-Qualified Defined Contribution Plan" (the "Plan"). Thereafter in 1997, the Company was renamed BB&T Corporation and, effective as of November 1, 2001, the Plan was renamed the "BB&T Corporation Non- Qualified Defined Contribution Plan" and was further amended and restated. Effective as of January 1, 2009, the Plan was renamed the "BB&T Non-Qualified Defined Contribution Plan" and was amended and restated for compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the guidance issued thereunder by the United States Department of Treasury and/or the Internal Revenue Service (collectively, "Section 409A"). Notwithstanding the foregoing, on and after January 1, 2005 through December 31, 2008, the Plan has been operated, to the extent applicable, in good faith compliance with Section 409A. As of the date of execution of this plan document which is effective as of January 1, 2012, the Plan is amended and restated to make certain clarifications in compliance with Section 409A. Moreover, to the extent applicable, the Company intends that the Plan comply with Section 409A and the Plan shall be construed consistently with such intent. Pursuant to the Agreement and Plan of Merger by and between SunTrust Banks, Inc. and BB&T Corporation dated February 7, 2019, SunTrust Banks, Inc. merged with and into BB&T Corporation (the "Company") effective December 6, 2019 (the "Closing Date"), and the Company became the Truist Financial Corporation. Effective June 1, 2020, the Plan was amended to reflect the merger of the SunTrust Plan (as defined in Appendix F) with and into the Plan. Notwithstanding anything herein to the contrary, SunTrust Accounts, including without limitation accounts maintained with respect to the 401(k) Excess Plan and the Prior Deferred Compensation Plan (as such terms are defined in Appendix F), shall be governed by the terms of Appendix F hereto.

In addition, Effective August 1, 2020, the Plan was amended to reflect the merger of the BB&T Supplemental Defined Contribution Plan for Highly Compensated Employees (the "Supplemental Plan"), into the Plan. Notwithstanding anything herein to the contrary, Accrued Benefits under the Supplemental Plan as of July 31, 2020 shall be governed by the terms of the Supplemental Plan in effect as of July 31, 2020 and Appendix E4 attached hereto.

1.2. Purpose of Plan. The primary purpose of the Plan is to supplement the benefits payable to certain participants under the tax-qualified Truist Financial Corporation 401(k) Savings Plan to the extent that such benefits are curtailed by the application of certain limits imposed by the Code. The Plan is also intended to provide certain participants in the Company's executive incentive compensation plans with an effective means of deferring a portion of the

payments they are entitled to receive under such plans on a pre-tax basis. All benefits from the Plan shall be payable solely from the general assets of the Company and participating Affiliates. The Plan is comprised of both an "excess benefit plan" within the meaning of Section 3(36) of ERISA and an unfunded plan maintained for the purpose of providing deferred compensation to a "select group of management or highly compensated employees" within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. The Plan, therefore, is intended to be exempt from the participation, vesting, funding, and fiduciary requirements of Title I of ERISA.

I.
DEFINITIONS AND CONSTRUCTION

2.1. Defined Terms. Whenever used in this Plan document, the following capitalized terms shall have the meaning set forth below (unless otherwise indicated by the context), rather than any definition set forth in the Savings Plan.

(1) The term "**Account**" shall mean the aggregate of the unfunded, separate bookkeeping accounts which are established and maintained with respect to each Participant pursuant to the provisions of Article VII and which may include the following such accounts:

(a) a Matching Account;

(b) a Salary Reduction Account;

(c) a SunTrust Account (as defined in Appendix F).

Separate subaccounts shall be established and maintained with respect to each such separate bookkeeping account which shall include one or more Investment Fund Accounts and which shall be adjusted in the manner provided in Article VII.

(2) The term **"Accrued Benefit"** shall mean with respect to each Participant the balance credited to his Account as of the applicable Adjustment Date following adjustment thereof as provided in Article VII.

(3) The term **"Adjustment Date"** shall mean each day securities are traded on the New York Stock Exchange, except regularly scheduled holidays of the Company.

(4) The term **"Affiliate"** shall mean any employer which, with the Company, would be considered to be a single employer under Sections 414(b) and 414(c) of the Code, using 50%, rather than 80%, as the percentage of ownership required with respect to such Code sections. The status of an entity as an Affiliate relates only to the period of time during which the entity is so affiliated with the Company.

(5) The term **"Beneficiary"** shall mean the person, persons, or entity designated or determined pursuant to the provisions of Article XII of the Plan to receive the balance of the Participant's Account under the Plan, if any, after his death.

(6) The term **"Board"** shall mean the Board of Directors of the Company.

(7) The term **"Code"** shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations issued thereunder.

(8) The term **"Committee"** shall mean the Employee Benefits Plan Committee which shall have the powers, duties, and responsibilities set forth in Article VIII.

(9) The term **"Company"** shall mean Truist Financial Corporation, a North Carolina corporation with its principal office at Charlotte, North Carolina, or any successor thereto by merger, consolidation, or otherwise.

(10) The term **"Company Discretionary Credits"** shall mean the amounts credited to the Participant's Matching Account by the Committee pursuant to the provisions of Section 3.3.

(11) The term **"Company Matching Credits"** shall mean the amounts credited to the Participant's Matching Account by the Committee pursuant to the provisions of Section 3.2.

(12) The term **"Compensation Committee"** shall mean the Compensation and Human Capital Committee of the Board or its delegate; provided, however, that the authority to make any determinations with regard to Employees who are officers subject to Section 16 of the 1934 Act shall at all times be retained by the Compensation Committee.

(13) The term **"Covered Compensation"** shall have the same meaning as the definition of "Compensation" under the Savings Plan without regard to any limits imposed by Section 401(a) (17) of the Code, provided that Salary Reduction Credits under this Plan shall also be included in the definition of Covered Compensation for purposes of this Plan. For purposes of this definition, any change in the definition of Compensation under the Savings Plan that is effective after the first day of a Plan Year shall not be applied to the definition of Covered Compensation until the following Plan Year.

(14) The term **"Deferral Election Form"** shall mean the election form (including a form in electronic, telephonic, or other format) executed by the Participant pursuant to the provisions of Section 3.4 of the Plan.

(15) The term **"Eligible Employee"** shall mean each Employee who is determined by the Compensation Committee to be a highly compensated or management employee and who is selected by the Compensation Committee to participate in the Plan. An Employee shall cease to be an Eligible Employee immediately upon the first to occur of the following (i) the Employee's Separation from Service; (ii) the end of the Plan Year in which occurs the determination by the Compensation Committee that the Employee is no longer a highly compensated or management employee; or (iii) the end of the Plan Year in which the Compensation Committee, in its sole discretion, determines that the Employee shall no longer be eligible to participate in the Plan.

(16) The term **"Employee"** shall mean an individual in the Service of the Employer, provided that the relationship between him and the Employer is the legal relationship of employer and employee.

(17) The term **"Employer"** shall mean the Company and participating Affiliates; Article XVI sets forth the special provisions concerning participating Affiliates.

(18) The term **"Entry Date"** shall mean January 1 of each Plan Year; provided, however, that under special circumstances, such as the acquisition of an Affiliate and in accordance with the requirements of Section 409A, the Committee may designate a date other than January 1 of a Plan Year as an Entry Date.

(19) The term **"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as amended and rules and regulations issued thereunder.

(20) The term **"Executive Leadership"** shall mean Employees of Truist Financial Corporation or affiliates designated by the Chief Executive Officer to serve as a member of Executive Leadership.

(21) The term "**Investment Fund**" shall mean any mutual fund described in Appendix A attached hereto and any self-directed brokerage option allowed by the Compensation Committee; provided, however, that the Compensation Committee shall determine from time to time the mutual funds to be set forth and described in Appendix A, and shall notify Participants in writing of the available Investment Funds from time to time.

(22) The term **"Investment Fund Account"** shall mean a subaccount of a Salary Reduction Account and/or a Matching Account which shall indicate the amount deemed invested in an Investment Fund as set forth in Article VII.

(23) The term **"Investment Fund Credit"** shall mean, with respect to each Investment Fund, a bookkeeping unit used for the purpose of crediting deemed shares of such Investment Fund to the corresponding investment subaccounts of each Participant's Account. Each Investment Fund Credit shall be equal to one share of each Investment Fund. The value of each Investment Fund Credit shall be equivalent to the net value of a share of the applicable Investment Fund as of any Adjustment Date.

(24) The term **"Matching Account"** shall mean the separate bookkeeping account to be kept for each Participant to which Company Matching Credits and any Company Discretionary Credits are credited.

(25) The term **"1934 Act"** shall mean the Securities Exchange Act of 1934, as amended.

(26) The term **"Participant"** shall mean with respect to any Plan Year an Eligible Employee who has commenced participation in the Plan and any former Eligible Employee who has an Accrued Benefit remaining under the Plan. An Eligible Employee shall become a Participant as of the Entry Date determined by the Committee. A Participant who incurs a Separation from Service and who later returns to Service will not be eligible to reenter the Plan except upon satisfaction of the terms and conditions established by the Committee in accordance with Section 409A. The Committee shall maintain a list of the Participants in the Plan, indicating, inter alia, those Participants eligible for Company Matching Credits and which shall be amended from time to time. Notwithstanding the foregoing, effective June 1, 2020, each SunTrust Participant (as defined in Appendix F) shall be a Participant in the Plan.

(27) The term **"Performance-Based Compensation"** shall mean compensation considered performance-based compensation under Code section 409A. Generally, this means an amount which, or the entitlement to which, is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months. Performance criteria shall be established in writing not later than 90 days after the commencement of the period of service to which the criteria relate; provided that the outcome is substantially uncertain at the time the criteria are established. Performance-Based Compensation shall not include any amount or portion of any amount that will be paid regardless of performance or is based upon a level of performance that is substantially certain to be met at the time the criteria are established.

(28) The term **"Plan"** shall mean the Truist Financial Corporation Non-Qualified Defined Contribution Plan, an unfunded, non-qualified deferred compensation plan as herein restated or as duly amended from time to time.

(29) The term **"Plan Administrator"** shall mean the plan administrator as provided in Section 8.2.

(30) The term **"Plan Year"** shall mean the 12-calendar-month period beginning on January 1 and ending on December 31 of each year.

(31) The term **"Salary Reduction Election Form"** shall mean the election form (including a form in electronic, telephonic, or other format) executed by the Participant pursuant to the provisions of Section 3.1 of the Plan.

(32) The term **"Salary Reduction Account"** shall mean the separate bookkeeping account to be kept for each Participant to which Salary Reduction Credits shall be credited.

(33) The term **"Salary Reduction Credits"** shall mean the amounts credited to the Participant's Salary Reduction Account by the Committee pursuant to the provisions of Section 3.1 of the Plan.

(34) The term **"Savings Plan"** shall mean the Truist Financial Corporation 401(k) Savings Plan, as it may be amended from time to time.

(35) The term **"Section 409A"** shall mean Section 409A of the Code and the guidance issued thereunder by the United States Department of Treasury and/or the Internal Revenue Service.

(36) The term **"Separation from Service"** shall mean a termination of employment with the Company and all Affiliates that is a "separation from service" within the meaning of Section 409A.

(37) The term **"Service"** shall mean employment by the Employer as an Employee.

(38) The term **"Specified Employee"** shall mean a "specified employee" within the meaning of Section 409A.

(39) The term **"Spouse" or "Surviving Spouse"** shall mean, except as otherwise provided in the Plan, the legally married or surviving spouse of a Participant.

(40) The term **"Unforeseeable Emergency"** shall mean a severe financial hardship as more fully defined in Section 6.1.

2.2 Construction. Wherever appropriate, words used in the Plan in the singular may include the plural, or the plural may be read as the singular. References to one gender shall include the other. A capitalized term used, but not defined in the Plan, shall have the same meaning given in the Savings Plan, depending on the context in which the term is used.

ARTICLE III
CREDITS TO ACCOUNTS

3.1. Salary Reduction Credits.

3.1.1 Amount of Salary Reduction Credits. Each Participant who is a participant in the Savings Plan may elect to reduce on a pre-tax basis his Covered Compensation from the Employer for any Plan Year by a percentage as set forth on a Salary Reduction Election Form which the Participant executes prior to the applicable Entry Date and in accordance with Section 3.1.3. Such election will apply to the Covered Compensation received by the Participant after the date such election becomes effective during the Plan Year. For each Plan Year, the deferral election will be effective as of the earlier date below:

(a) the date the Participant's Covered Compensation reaches the limit under Code section 401(a) (17) for the Plan Year while the Participant is making Salary Reduction Contributions under the Savings Plan, or

(b) the date the Participant's contribution to the Savings Plan have reached the pre-tax contribution limit under Code section 402(g) during the Plan Year.

In the event that a Participant's first Entry Date is other than January 1 and it is his first year of eligibility under the Plan (taking into consideration eligibility under all other nonqualified account balance plans of the Company and of any Affiliate that are required to be aggregated with the Plan under Section 409A in determining whether such Plan Year is in fact the first year of eligibility, within the meaning of Treasury Regulation Section 1.409A-2(a)(7)(ii), under a "plan" that includes the Plan), such Participant may file an initial Salary Reduction Election Form in accordance with this Section 3.1.1 within 30 days of becoming first eligible to participate under the Plan, but only with respect to that portion of his Covered Compensation to be earned for services to be performed subsequent to such election and ending on December 31 of such Plan Year. Such deferral election will be effective as of the earlier of the date that the requirements in (a) or (b) above are satisfied.

3.1.2 Time for Crediting Accounts. Salary Reduction Credits shall be credited to a Participant's Salary Reduction Account as of the time, and in the same manner, that Salary Reduction Contributions are credited to the Participant's Salary Reduction Contribution (Before-Tax) Account under the Savings Plan.

3.1.3 Administrative Rules. An election pursuant to Section 3.1.1 shall be made by the Participant by executing and delivering to the Committee a Salary Reduction Election Form in accordance with such rules and procedures as are adopted by the Committee from time to time. Except for the first year of eligibility, the Salary Reduction Election Form must be received by the Committee prior to the beginning of each Plan Year in accordance with procedures established by the Committee. The Salary

Reduction Election Form of a Participant shall be irrevocable for the relevant Plan Year, subject to permitted adjustments resulting from a Participant's qualified plan elections consistent with Treasury Regulation Sections 1.409A-2(a)(9) and 1.409A-3(j)(5), or any successors thereto, determined using the Participant's Salary Reduction Contribution rate under the Savings Plan in effect on June 30 prior to the applicable Plan Year. The Salary Reduction Election Form will remain in effect for the Plan Year for which it is first made and for all future Plan Years until it is revoked or changed by a new election submitted pursuant to the rules of this Section 3.1 or the Participant ceases participation in the Plan. Any such election with respect to Covered Compensation that is Performance-Based Compensation must be received by the Committee in accordance with procedures established by the Committee; provided, however, that:

(a) the Committee does not receive such election later than a date that is six months prior to the end of the applicable performance period;

(b) the Participant has continuously performed services from the later of the beginning of the performance period which is at least 12 consecutive months or the date the performance criteria are established through the date on which the deferral election is made; and

(c) in no event shall such election be made after such Incentive Compensation has become readily ascertainable.

3.2 Company Matching Credits.

3.2.1. Amount of Company Matching Credits. The Committee shall determine which Participants are eligible to receive Company Matching Credits based on objective criteria. The Committee shall credit to the Matching Account of each such Participant who elects to reduce his Covered Compensation under Section 3.1, with a Company Matching Credit, which shall be an amount equal to (a) minus (b), where

(a) is the sum of the Salary Reduction Credits and the Salary Reduction Contributions under the Savings Plan for the Plan Year, up to 6% of his Covered Compensation for the Plan Year; and

(b) is equal to the Matching Contributions provided under the Savings Plan during the Plan Year;

provided, however, that the Company Matching Credit of a Participant who is first eligible to participate during the Plan Year beginning on an Entry Date other than January 1 as provided in Section 3.1.1 shall be limited to that portion of his Covered Compensation to be earned for services to be performed subsequent to his submission of his Salary Reduction Election Form and ending on December 31 of such Plan Year.

3.2.2 Crediting Company Matching Credits. The amount of Company Matching Credits to be credited to the Matching Account of the Participant shall be

credited by the Committee to the Participant's Matching Account as of the same time and in the same manner as Matching Contributions are credited to the Participant's Employer Basic Matching Contribution Account and Employer Supplemental Matching Contribution Account under the Savings Plan.

3.3 Company Discretionary Credits.

3.3.1. Amount of Company Discretionary Credits. At the discretion of the Company and pursuant to the directions of the Company, the Committee shall credit to the Matching Account of a Participant with a Company Discretionary Credit, which shall be an amount determined by the Company. The determination of which Participant shall be credited with a Company Discretionary Credit and the amount of such credit shall be determined solely by the Company.

3.3.2 Time for Crediting Company Discretionary Credits. The amount of Company Discretionary Credits to be credited to the Matching Account of the Participant shall be credited at such time or times as the Committee so designates.

ARTICLE IV
NONFORFEITABILITY OF ACCOUNTS

Upon Separation from Service, the interest of a Participant in his Salary Reduction Account as well as his Matching Account shall not be subject to forfeiture; provided, however that in the event the Participant has engaged in misconduct, including, but not limited to, embezzlement, larceny, theft, and other dishonest acts affecting the Employer, or has engaged in direct competition with the Employer while a Participant, such Participant shall forfeit the entire interest in his Matching Account.

ARTICLE V
PAYMENT OF BENEFITS

5.1. Distributions

5.1.1. In General. Except as otherwise provided in Article VI relating to payments in the event of an Unforeseeable Emergency, the vested Accrued Benefit of a Participant shall be distributed to or with respect to a Participant only upon the Participant's Separation from Service or death. Payment of benefits on account of a Separation from Service shall be made in accordance with Section 5.2. Payment of benefits on account of the death of a Participant shall be made in accordance with Section 5.3.

5.1.2 No Acceleration. Except as otherwise provided below and in Article VI relating payments in the event of an Unforeseeable Emergency, which are permitted under Section 409A, no acceleration of the time and form of payment of a Participant's Accrued Benefit, or any portion thereof, shall be permitted. Any portion of a Participant's Account that is includible in income under Section 409A shall be distributed immediately to the Participant. And a Participant's Account shall be distributed upon the sale of substantially all of the Company's assets, as provided in Section 15.14 of the Truist Financial Corporation Non-Qualified Deferred Compensation Trust and in accordance with Treas. Reg. Section 1.409A-3(j)(4) (ix)(B) or any successor thereto.

5.2 Payment of Benefits upon Separation from Service.

5.2.1. Form of Distribution. Subject to the provisions of Article XVII, the vested Accrued Benefit of a Participant who has incurred a Separation from Service shall be paid to the Participant or applied for his benefit under one of the following options:

Option A Term Certain Option. Payment in approximately equal installments over a term certain not to exceed 15 years; or

Option B Lump Sum Option. Payment in a lump sum.

The election of the distribution option with respect to his vested Accrued Benefit ("Form Election") shall be made by the Participant on a form approved by the Committee and filed with the Committee as provided in Section 5.2.3. Notwithstanding the foregoing, all Form Elections are subject to the provisions of Section 5.2.2(b). In the event that a Participant fails to elect a distribution option or fails to make a timely election, his vested Accrued Benefit shall be paid to him under the Lump Sum Option. The amount of a Participant's vested Accrued Benefit for purposes of any distribution made pursuant to this Article V shall be determined as of the Adjustment Date that such distribution is actually processed by the Committee or its designee.

5.2.2 Commencement and Timing of Distributions.

(a) **In General.** Except as otherwise provided in Article VI relating to payments in the event of an Unforeseeable Emergency, no benefit payments will be made to the Participant from the Plan under this Section 5.2 until the Participant has incurred a Separation from Service. Subject to the provisions of Section 5.2.2(b) and Article XVII, payment of a Participant's vested Accrued Benefit shall commence within one of the following periods:

Option 1 Distribution shall commence within the 60-day period next following the date the Participant incurs a Separation from Service; provided that if such 60- day period begins in one calendar year and ends in another, the Participant shall not have a right to designate the calendar year of payment.

Option 2 Distribution shall commence within the period beginning on the first day of January of the Plan Year which next follows the Plan Year in which the Participant incurred a Separation from Service and ending on the last day of February of such Plan Year.

Option 3 Distribution shall commence within the 60-day period next following the later of (a) the date the Participant attains age a specified age elected by the Participant on the Salary Reduction Election Form or (b) the date the Participant has incurred a Separation from Service; provided that if such 60-day period begins in one calendar year and ends in another, the Participant shall not have a right to designate the calendar year of payment.

Option 4 Distribution shall commence within the period beginning on the first day of January of the Plan Year, and ending on the last day of February of such Plan Year, which next follows the later of (a) the Plan Year in which the Participant attains a specified age elected by the Participant on the Salary Reduction Election Form or (b) the Plan Year in which the Participant has incurred a Separation from Service.

The election of the date as of which distribution shall commence (the "Timing Election") shall be made by the Participant on a form approved by the Committee and filed with the Committee as provided in Section 5.2.3. If the Participant fails to elect one of these options, fails to make a timely election, or fails to make consistent elections for all deferrals, Option 1 will be deemed to have been elected by the Participant.

(b) **Specified Employees.** Notwithstanding any other provision of the Plan to the contrary, in the event that a Participant is a Specified Employee at the time of his Separation from Service, to the extent that payment of his vested Accrued Benefit would constitute "nonqualified deferred compensation" within the meaning of Section 409A,

any Accrued Benefit payable during the six-month period following such Separation from Service shall be paid during the 30-day period commencing with the first day of the seventh month following the month of the Participant's Separation from Service; provided, however, that if such 30-day period begins in one calendar year and ends in another, the Participant shall not have the right to designate the taxable year of payment.

5.2.3 Timing and Duration of Elections.

(a) **Elections for 2005, 2006, 2007, and 2008.** On or before December 31, 2008, Participants may make Form Elections and Timing Elections with respect to their Accrued Benefits for Plan Years 2005, 2006, 2007, and 2008; provided, however, that:

(i) No amount subject to any such election shall otherwise be payable in the calendar year in which the election is made;

(ii) Such election shall not cause an amount to be paid in the calendar year of the election that would not otherwise be payable in such year;

(iii) All Form Elections shall be consistent with each other and all Timing Elections shall be consistent with each other; and

(iv) Such elections shall continue in effect for future Plan Years unless subsequent elections pursuant to the provisions of Section 5.2.3(c) are made and become effective.

(b) **Initial Distribution Elections.** On or before the December 31 that immediately precedes the Plan Year in which he is first eligible to participate in the Plan, a Participant shall make a Form Election and Timing Election on a distribution election form approved by the Committee and filed with the Committee in accordance with procedures established by the Committee. A Participant who is eligible, pursuant to Sections 3.1.1 and/or 3.3.1, to make an election to participate in the Plan on an Entry Date other than January 1 shall make a Form Election and Timing Election on a distribution election form approved by the Committee and filed with the Committee within 30 days of becoming first eligible to participate in the Plan. Such elections shall continue in effect for future Plan Years unless subsequent elections pursuant to the provisions of Section 5.2.3(c) are made and become effective.

(c) **Subsequent Elections.** Notwithstanding any provision of the Plan to the contrary, a Participant may change any Form Election or Timing Election made under Section 5.2.3(a) or (b) above only if the following conditions are met:

(i) The time and form of payment is permitted under the terms of the Plan and if the time and form of payment is changed, the time and form of all previous Form Elections and Timing Elections is changed to a consistent time and form of payment; and

(ii) Any such subsequent election shall not take effect until at least 12 months after the date on which the election is made; and

(iii) The payment with respect to which any such subsequent election is made is deferred for a period of not less than five years from the date such payment would otherwise be made (for this purpose, payments under the Term Certain Option shall be treated as a single payment); and

(iv) Any subsequent election shall not be made less than 12 months prior to the date of the first scheduled payment; and

(v) The election shall be irrevocable as of the last date it can be made.

Further, any subsequent election made by a Participant must be made prior to the Participant attaining the age of 60.

5.2.4 Medium of Distribution. Subject to the provisions of Article XVII, distributions from the Plan shall be made in cash.

5.2.5 Installment Payments. If the Participant's vested Accrued Benefit is to be distributed in installments pursuant to the Term Certain Option, the amount of each installment shall be equal to the value of the Account as of the date the installment payment is to be made multiplied by a fraction, the numerator of which shall be one and the denominator of which shall be the total number of installments to be paid or remaining to be paid. The Account shall continue to be adjusted as provided in Article VII until the entire balance credited to the Account has been paid. Any final earnings shall be paid with the last installment.

5.3 Payment of Death Benefit. On the death of a Participant, the vested Accrued Benefit of such Participant shall be paid to his Beneficiary in accordance with the following special provisions hereafter set forth:

5.3.1. Death Before Payments Begin. In the event that a Participant dies before payment of his vested Accrued Benefit commences under Section 5.2, payment shall be made to the Beneficiary in cash under the Lump Sum Option described in Section 5.2.1. Payment shall be made within the 90-day period that begins the 60th day next following the date of the Participant's death; provided, however, that if such 90-day period begins in one calendar year and ends in another, the Beneficiary shall not have a right to designate the calendar year of payment. The amount of the Participant's vested Accrued Benefit for purposes of any distribution made pursuant to this Section 5.3.1 shall be determined as of the Adjustment Date such distribution is actually processed by the Committee or its designee.

5.3.2 Death After Payments Begin. In the event that a Participant dies on or after payment of his vested Accrued Benefit commences under Section 5.2, the remaining payments (if any) that would have been made to the Participant had he not died shall be made to the Participant's Beneficiary in the same manner as they would have been paid to the Participant had he lived.

5.4 Rules. Subject to the provisions of Article XVII and Section 409A, the Committee may from time to time adopt additional policies or rules governing the manner in which distributions will be made from the Plan so that the Plan may be conveniently administered and comply with Section 409A.

5.5 Liabilities Transferred to Lendmark. Branch Banking and Trust Company sold all of the issued and outstanding shares of capital stock of Lendmark Financial Services, Inc. ("Lendmark") to LFS HoldCo LLC, a Delaware limited liability company, pursuant to a stock purchase agreement effective as of October 11, 2013 (the "Lendmark Closing Date"). Pursuant to the terms of the stock purchase agreement approved by the Board of Directors of the Company, on the Lendmark Closing Date certain employees and former employees of Lendmark and its affiliates as defined in the stock purchase agreement (the "Company Continuing Employees") ceased to participate in the Plan and the liabilities for these participants' benefits under the Plan were transferred to Lendmark. On and after the Lendmark Closing Date, the Company and the Plan, and any successors thereto, ceased allowing further credits to the accounts of Company Continuing Employees and ceased to have any further obligation or liability to any such participant with respect to any benefit, amount, or right due under the Plan.

ARTICLE VI
UNFORESEEABLE EMERGENCY PAYMENTS

6.1. Conditions for Request. Subject to the provisions of Article XVII, a Participant may, at any time prior to his Separation from Service, make application to the Committee to receive a cash payment in a lump sum of all or a portion of the total amount credited to his Account (other than the forfeitable portion of his Matching Account) by reason of an Unforeseeable Emergency. The amount of a payment on account of an Unforeseeable Emergency shall not exceed the amount required to meet the financial hardship created by the Unforeseeable Emergency, after taking into account the extent to which such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets (to the extent the liquidation would not itself cause severe financial hardship), or the cessation of deferrals under the Plan. For purposes of this Article VI, an Unforeseeable Emergency shall mean a severe financial hardship of the Participant resulting from (i) an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Section 152 of the Code, without regard to Sections 152(b)(1), (b) (2), and (d)(1)(B)); (ii) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to the home by natural disaster not otherwise covered by insurance); or (iii) other similar or extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Committee in accordance with Section 409A, and its decision to grant or deny a payment on account of an Unforeseeable Emergency shall be final. The Committee shall apply uniform and nondiscriminatory standards in accordance with Section 409A in making its decision.

6.2 Written Request. The Participant's request for a payment on account of an Unforeseeable Emergency must be made in writing to the Committee. The request must specify the nature of the financial hardship, the total amount to be paid from his Account, and the total amount of the actual expense incurred or to be incurred on account of hardship.

6.3 Processing of Request. The processing of a request for a payment on account of an Unforeseeable Emergency shall be completed as soon as practicable from the date on which the Committee receives the properly completed written request. If a Participant incurs a Separation from Service after a request is approved but prior to payment, the approval of his request shall be automatically void and the benefits he is entitled to receive under the Plan shall be paid in accordance with the applicable payment provisions of the Plan. If a payment is approved, such payment shall be made in a lump sum within 60 days of the date of approval; provided, however, that if the 60-day period begins in one calendar year and ends in another, the Participant shall not have a right to designate the calendar year of payment. If the Committee determines that the extent of an Unforeseeable Emergency requires a suspension of the Participant's deferrals for the Plan Year in which the Unforeseeable Emergency occurs, such a suspension shall take effect upon the date of approval of such emergency. An Unforeseeable Emergency withdrawal shall be charged to the separate bookkeeping accounts which comprise the Account in the following order: (i) the Matching Account (but only to the extent of the vested portion of the Matching Account); and (ii) the Salary Reduction Account. Subject to the provisions of Article XVII, with respect to each such separate bookkeeping account, such

Unforeseeable Emergency withdrawal shall be charged to the Investment Fund Accounts on a pro rata basis.

6.4 Rules. Subject to the provisions of Article XVII and Section 409A, the Committee may from time to time adopt additional policies or rules governing the manner in which such payments because of an Unforeseeable Emergency may be made so that the Plan may be conveniently administered and comply with Section 409A.

ARTICLE VII
DEEMED INVESTMENTS AND ADJUSTMENT OF ACCOUNTS

7.1. Account Administration. The Committee shall establish and maintain on behalf of each Participant the following separate bookkeeping accounts with respect to his Account: (i) Matching Account; (ii) Salary Reduction Account; and (iii) if such Participant is a SunTrust Participant (as defined in Appendix F), a SunTrust Account pursuant to Appendix F.2. If the Participant elects to have all or a portion of the amount credited to each separate bookkeeping account deemed invested in one or more of the Investment Funds as provided in Section 7.2, the Committee shall establish an Investment Fund Account with respect to the amount deemed invested in each Investment Fund.

7.2 Deemed Investment of Accounts in Investment Funds. In accordance with procedures adopted by the Committee, a Participant may elect to have all or a portion (in integral percentages) of the amount credited to each separate bookkeeping account deemed invested in one or more of the Investment Funds. An election to invest in the Investment Funds shall be made by the Participant in accordance with such rules and procedures as are established by the Committee from time to time. Unless modified or revoked by the Participant, an election to invest in the Investment Funds shall continue in effect until such the distribution of the Participant's vested Accrued Benefit is processed by the Committee or its designee in accordance with the provisions of Article V. A Participant unilaterally may modify or revoke his election as of any Adjustment Date by providing advance notice to the Committee in accordance with such rules and procedures as are established by the Committee from time to time. Any amount the Participant has elected to be deemed invested in an Investment Fund shall be converted into Investment Fund Credits with respect to that Investment Fund in the manner and as of the Adjustment Date set forth in procedures established by the Committee. The value of any Investment Fund Credits that the Participant has elected to be deemed sold from an Investment Fund Account and credited to another Investment Fund Account shall be determined in the manner and as of the Adjustment Date set forth in procedures established by the Committee. All deemed dividends, capital gains or other income distributions payable with respect to the Investment Fund Credits allocated to an Investment Fund Account shall be converted into Investment Fund Credits in the manner and as of the Adjustment Date set forth in procedures established by the Committee. In the event the Committee shall change the manner in which amounts are to be converted to Investment Fund Credits or the manner in which Investment Fund Credits are to be deemed sold, it shall communicate such change to Participants in writing in advance of the date such change is to be effective. The Investment Fund Accounts shall be adjusted as provided in Section 7.4 and any fractional shares shall be accounted for as such.

7.3 Adjustment of Investment Fund Accounts. As of the close of business of the Company on each Adjustment Date, the number of Investment Fund Credits allocated to the Investment Fund Account of each Participant with respect to each separate bookkeeping account shall be adjusted in the following order:

(a) Any Investment Fund Credits deemed sold from the Investment Fund Account since the next preceding Adjustment Date shall be debited.

(b) Then, any shares of the Investment Fund deemed purchased with amounts converted into Investment Fund Credits plus any additional shares of Investment Fund Credits deemed purchased as a result of any deemed dividends, capital gains, or other income distributions payable since the next preceding Adjustment Date with respect to Investment Fund Credits allocated to the Participant's Investment Fund Account, shall be credited.

(c) Finally, any Investment Fund Credits forfeited with respect to the Investment Fund Account of the Matching Account or SunTrust Account since the next preceding Adjustment Date shall be debited.

7.4 Rules. Subject to the provisions of Article XVII and Section 409A, the Committee may establish any rules or regulations necessary to implement the provisions of this Article VII and to comply with Section 409A.

ARTICLE VIII
ADMINISTRATION BY COMMITTEE

8.1. Membership of Committee. The Committee shall consist of the individuals appointed by the Board to serve as members of the Employee Benefits Plan Committee. The Committee shall be responsible for the general administration and interpretation of the Plan and for carrying out its provisions, except to the extent all or any of such obligations are specifically imposed on the Board.

8.2 Committee Officers; Subcommittee. The Committee may appoint from its membership such subcommittees with such powers as the Committee shall determine, and may authorize one or more of its members or any agent to execute or deliver any instruments or to make any payment in behalf of the Committee. The Chairman of the Committee shall constitute the Plan Administrator and shall be agent for service of legal process on the Plan. In addition, notwithstanding any provision herein, any subcommittee established by the Committee or any Board committee (including the Compensation Committee) or subcommittee may be granted such authority, and be comprised of such members, as is necessary to comply with the conditions imposed by Rule 16b-3, promulgated under Section 16 of the 1934 Act.

8.3 Committee Meetings. The Committee shall hold such meetings upon such notice, at such places and at such intervals as it may from time to time determine. Notice of meetings shall not be required if notice is waived in writing by all the members of the Committee at the time in office, or if all such members are present at the meeting.

8.4 Transaction of Business. A majority of the members of the Committee at the time in office shall constitute a quorum for the transaction of business. All resolutions or other actions taken by the Committee at any meeting shall be by vote of a majority of those present at any such meeting and entitled to vote. Resolutions may be adopted or other action taken without a meeting upon written consent thereto signed by all of the members of the Committee.

8.5 Committee Records. The Committee shall maintain full and complete records of its deliberations and decisions. The minutes of its proceedings shall be conclusive proof of the facts of the operation of the Plan. The records of the Committee shall contain all relevant data pertaining to individual Participants and their rights under the Plan.

8.6 Establishment of Rules. Subject to the limitations of the Plan, the Committee may from time to time establish rules or by-laws for the administration of the Plan and the transaction of its business.

8.7 Conflicts of Interest. No individual member of the Committee shall have any right to vote or decide upon any matter relating solely to himself or to any of his rights or benefits under the Plan (except that such member may sign unanimous written consent to resolutions adopted or other action taken without a meeting).

8.8 Correction of Errors. The Committee may correct errors, subject to the requirements of Section 409A, and, so far as practicable, may adjust any benefit or credit or

payment accordingly. The Committee may in its discretion waive any notice requirements in the Plan; provided, that a waiver of notice in one or more cases shall not be deemed to constitute a waiver of notice in any other case. With respect to any power or authority which the Committee has discretion to exercise under the Plan, such discretion shall be exercised in a nondiscriminatory manner.

8.9 Authority to Interpret Plan. Subject to the claims procedure set forth in Article XV, the Committee and the Plan Administrator shall have the duty and discretionary authority to interpret and construe the provisions of the Plan and decide any dispute which may arise regarding the rights of Participants hereunder, including the discretionary authority to interpret the Plan and to make determinations as to eligibility for participation and benefits under the Plan. Interpretations and determinations by the Committee and the Plan Administrator shall apply uniformly to all persons similarly situated and shall be binding and conclusive on all interested persons. Such interpretations and determinations shall only be set aside if the Committee and the Plan Administrator are found to have acted arbitrarily and capriciously in interpreting and construing the provisions of the Plan.

8.10 Third Party Advisors. The Committee may engage an attorney, accountant or any other technical advisor on matters regarding the operation of the Plan and to perform such other duties as shall be required in connection therewith, and may employ such clerical and related personnel as the Committee shall deem requisite or desirable in carrying out the provisions of the Plan.

8.11 Compensation of Members. No fee or compensation shall be paid to any member of the Committee for his service as such.

8.12 Committee Expenses. The Committee shall be entitled to reimbursement by the Company for its reasonable expenses properly and actually incurred in the performance of its duties in the administration of the Plan.

8.13 Indemnification of Committee. No member of the Committee shall be personally liable by reason of any contract or other instrument executed by him or on his behalf as a member of the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless, directly from its own assets (including the proceeds of any insurance policy the premiums for which are paid from the Company's own assets), each member of the Committee and each other officer, Employee, or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be delegated or allocated, against any unreimbursed or uninsured cost or expense (including any sum paid in settlement of a claim with the prior written approval of the Board) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud, bad faith, willful misconduct, or gross negligence.

ARTICLE IX
FUNDING

The Plan is intended to be both an excess benefit plan and an unfunded plan of deferred compensation maintained for a select group of highly compensated or management employees. The obligation of the Employer to make payments hereunder may constitute a general unsecured obligation of the Employer to the Participant. Notwithstanding the foregoing, the Company shall establish and maintain a special separate fund as provided for in the document entitled "Truist Financial Corporation Non-Qualified Deferred Compensation Trust." Subject to the restrictions in Section 409A(b), the Employer shall make contributions to the trust no less frequently than annually, and shall provide for trust assets that are at least equal to the sum of the amounts of all Accounts under the Plan as of a date within ten business days before such contribution. Notwithstanding the foregoing, no Participant or his Beneficiary shall have any legal or equitable rights, interest or claims in any particular asset of the trust or the Employer by reason of the Employer's obligation hereunder, and nothing contained herein shall create or be construed as creating any other fiduciary relationship between the Employer and a Participant or any other person. To the extent that any person acquires a right to receive payments from the trust or the Employer hereunder, such right shall be no greater than the right of an unsecured creditor of the Employer.

ARTICLE X
ALLOCATION OF RESPONSIBILITIES

The persons responsible for the Plan and the duties and responsibilities allocated to each, which shall be carried out in accordance with the other applicable terms and provisions of the Plan, shall be as follows:

10.1. Board.

(a) To amend the Plan (other than the Appendices);

(b) To appoint and remove members of the Committee;

(c) To terminate the Plan; and

(d) To take any actions required to comply with federal and state securities laws (except to the extent that the Committee or a committee or subcommittee established pursuant to Section 8.2 is authorized to do so).

10.2 Compensation Committee.

(a) To determine the Employees eligible to participate in the Plan.

(b) In carrying out its duties and responsibilities, the provisions of Sections 8.2, 8.3, 8.4, 8.5, 8.10, 8.11, 8.12, and 8.13 shall apply equally to the Compensation Committee.

10.3 Executive Leadership.

(a) To amend the Plan to the extent provided in Article XIII.

10.4 Committee.

(a) To interpret the provisions of the Plan and to determine the rights of the Participants under the Plan, except to the extent otherwise provided in Article XV relating to the claims procedure;

(b) To administer the Plan in accordance with its terms, except to the extent powers to administer the Plan are specifically delegated to another person or persons as provided in the Plan;

(c) To determine the Accrued Benefits of Participants;

(d) To direct the Employer in the payment of benefits;

(e) To the extent necessary or advisable and except as specifically provided otherwise herein, to amend, or maintain, as the case may be, the Appendices attached hereto; and

(f) To determine from time to time the mutual funds to be described on Appendix A.

10.5 Plan Administrator.

(a) To file such reports as may be required with the United States Department of Labor, the Internal Revenue Service and any other government agencies to which reports may be required to be submitted from time to time;

(b) To provide for disclosure of Plan provisions and other information relating to the Plan to Participants and other interested parties; and

(c) To administer the claims procedure to the extent provided in Article XV.

ARTICLE XI
BENEFITS NOT ASSIGNABLE; FACILITY OF PAYMENTS

11.1. Benefits Not Assignable. No portion of any benefit held or paid under the Plan with respect to any Participant shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void, nor shall any portion of such benefit be in any manner payable to any assignee, receiver or any one trustee, or be liable for a Participant's debts, contracts, liabilities, engagements or torts, or be subject to any legal process to levy upon or attach.

11.2 Payments to Minors and Others. If any individual entitled to receive a payment under the Plan shall be physically, mentally or legally incapable of receiving or acknowledging receipt of such payment, the Committee, upon the receipt of satisfactory evidence of his incapacity and satisfactory evidence that another person or institution is maintaining him and that no guardian or committee has been appointed for him, may cause any payment otherwise payable to him to be made to such person or institution so maintaining him. Payment to such person or institution shall be in full satisfaction of all claims by or through the Participant to the extent of the amount thereof.

ARTICLE XII
BENEFICIARY

The Participant's Beneficiary shall be the person or persons designated by the Participant on the beneficiary designation form provided by and filed with the Committee or its designee. If the Participant does not designate a Beneficiary, the Beneficiary shall be his Surviving Spouse. If the Participant does not designate a Beneficiary and has no Surviving Spouse, the Beneficiary shall be the Participant's estate. The designation of a Beneficiary may be changed or revoked only by filing a new beneficiary designation form with the Committee or its designee. If a Beneficiary (the "Primary Beneficiary") is receiving or is entitled to receive payments under the Plan and dies before receiving all of the payments due him, the balance to which he is entitled shall be paid to the Contingent Beneficiary, if any, named in the Participant's current beneficiary designation form. If there is no Contingent Beneficiary, the balance shall be paid to the estate of the Primary Beneficiary. Any Beneficiary may disclaim all or any part of any benefit to which such Beneficiary shall be entitled hereunder by filing a written disclaimer with the Committee before payment of such benefit is to be made. Such a disclaimer shall be made in form satisfactory to the Committee and shall be irrevocable when filed. Any benefit disclaimed shall be payable from the Plan in the same manner as if the Beneficiary who filed the disclaimer had died on the date of such filing.

ARTICLE XIII
AMENDMENT AND TERMINATION OF PLAN

The Board may amend or terminate the Plan at any time; provided, however, that in no event shall such amendment or termination reduce any Participant's Accrued Benefit as of the date of such amendment or termination, nor shall any such amendment affect the terms of the Plan relating to the payment of such Accrued Benefit without the Participant's prior written consent to such amendment. Any such amendment or termination shall be made pursuant to a resolution of the Board and shall be effective as of the date specified in such resolution. Notwithstanding the foregoing and subject to the same limitations set forth above regarding the amount and payment of a Participant's benefits and compliance with Section 409A, an officer who is an Executive Manager of the Company shall have the authority to amend the Plan to (i) provide for the merger or consolidation of another non-qualified defined contribution plan into the Plan, and in connection therewith, to set forth any special provisions that may apply to the participants in such other plan, and (ii) to make any other amendment provided that the financial impact on the Company of such amendment is below the Sarbanes-Oxley materiality threshold as determined by the Company's Chief Financial Officer (or officer with similar authority) as of the time of such amendment. Upon termination of the Plan, distribution of the Accrued Benefit of a Participant shall be made to the Participant or his Beneficiary in the manner and at the time described in Article V of the Plan and in accordance with Section 409A. No additional credits of Salary Reduction Credits and Matching Credits shall be made to the respective separate bookkeeping accounts of a Participant following termination of the Plan, but the Account of each Participant shall continue to be adjusted as provided in Article VII until the balance of the Account of the Participant has been fully distributed to him or his Beneficiary.

ARTICLE XIV
COMMUNICATION TO PARTICIPANTS

The Company shall communicate the principal terms of the Plan to the Participants. The Company shall make a copy of the Plan available for inspection by Participants and their Beneficiaries during reasonable hours, at the principal office of the Company.

ARTICLE XV
CLAIMS PROCEDURE

15.1. Filing of a Claim for Benefits. If a Participant or Beneficiary (the "Claimant") believes he is entitled to benefits under the Plan that are not being paid to him or accrued for his benefit, he may file a written claim therefor with the Plan Administrator. If the Plan Administrator is the Claimant, all actions required to be taken by the Plan Administrator pursuant to this Article XV shall be taken instead by another member of the Committee designated by the Committee.

15.2 Notification to Claimant of Decision. Within 90 days after receipt of a claim by the Plan Administrator, or within 180 days if special circumstances require an extension of time, the Plan Administrator shall notify the Claimant of his decision with regard to the claim. If special circumstances require an extension of time, a written notice of the extension shall be furnished to the Claimant prior to commencement of the extension setting forth the special circumstances and the date by which the decision will be furnished. If such claim is wholly or partially denied, notice thereof shall be written in a manner calculated to be understood by the Claimant and shall set forth: (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent plan provisions on which the denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and (iv) an explanation of the procedure for review of the denied or partially denied claim set forth below, including the Claimant's right to bring a civil action under ERISA section 502(a) following an adverse benefit determination on review.

15.3 Procedure for Review. Within 60 days following receipt by the Claimant of notice denying his claim in whole or in part, the Claimant may appeal denial of the claim by filing a written application for review with the Committee. Following such request for review, the Committee shall fully and fairly review the decision denying the claim. Prior to the decision of the Committee, the Claimant shall be given an opportunity to review pertinent documents and receive copies of them, free of charge, and submit issues and comments in writing. The review will take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

15.4 Decision on Review. The decision on review of a claim denied in whole or in part by the Plan Administrator shall be made in the following manner:

15.4.1. Notification to Claimant of Decision. Within 60 days following receipt by the Committee of the request for review, or within 120 days if special circumstances require an extension of time, the Committee shall notify the Claimant in writing of its decision with regard to the claim. If special circumstances require an extension of time, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension.

15.4.2 Format and Content of Decision. The decision on review of a claim that is denied in whole or in part shall set forth: (i) the specific reasons or reasons for the

adverse determination; (ii) specific reference to pertinent Plan provisions on which the adverse determination is based; (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and (iv) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain the information about such procedures, as well as a statement of the Claimant's right to bring an action under ERISA section 502(a).

15.4.3 Effect of Decision. The decision of the Committee shall be final and conclusive.

15.5 Action by Authorized Representative of Claimant. All actions set forth in this Article XV to be taken by the Claimant may be taken by a representative of the Claimant duly authorized by him to act on his behalf on such matters. The Plan Administrator and the Committee may require such evidence as either reasonably deems necessary or advisable of the authority of any such representative to act.

15.6 Disability Claims. Claims for disability benefits shall be determined under DOL Regulation section 2560.503-1 which is hereby incorporated by reference.

ARTICLE XVI
PARTIES TO THE PLAN

16.1. Adoption by Affiliates. Subject to the approval of the Board, an Affiliate that has adopted the Savings Plan may adopt the Plan and become an employer-party to the Plan by resolutions approved by its Board of Directors. The Affiliates that are employer-parties to the Plan are listed on Appendix C attached hereto, as the same may be amended from time to time by the Committee. The special provisions shall apply to all employer-parties to the Plan are hereinafter set forth.

16.2 Single Plan. The Plan is a single plan with respect to all parties.

16.3 Service; Allocation of Costs. Service for purposes of the Plan shall be interchangeable among employer-parties to the Plan and shall not be deemed interrupted or terminated by the transfer at any time of a Participant from the Service of one employer-party to the Service of another employer-party. In determining the cost of providing benefits under the Plan, each employer-party shall be responsible for the cost associated with the Employees of such employer-party who are Participants in the Plan.

16.4 Committee. The Committee which administers the Plan as applied to the Company shall also be the Committee as applied to each other employer-party to the Plan.

16.5 Authority to Amend and Terminate. The Board of the Company shall have the power to amend or terminate the Plan as applied to each employer-party.

ARTICLE XVII
COMPLIANCE WITH SECTION 16 OF THE 1934 ACT AND RULE 16B TRADING RESTRICTIONS

The transactions under the Plan are intended to be structured in accordance with the 1934 Act, including but not limited to the restrictions imposed by Rule 16b-3 adopted under the 1934 Act. In addition to the provisions contained in the Plan, transactions by persons subject to Section 16 shall be subject to such further conditions as may be required in order to comply with the terms of Rule 16b-3 and Section 16(b). Without limiting the foregoing, persons subject to Section 16 shall be required to comply with such rules and procedures regarding Plan participation and transactions as may be established by the Committee or a committee or subcommittee established pursuant to Section 8.2; provided, however, that such procedures shall take into account Section 409A, which requires that any delayed distribution be paid at the earliest date at which the Committee reasonably anticipates that making such payment will not cause violation of federal or other applicable securities laws.

ARTICLE XVIII
MISCELLANEOUS PROVISIONS

18.1. Notices. Each Participant who is not in Service and each Beneficiary shall be responsible for furnishing the Plan Administrator with his current address for the mailing of notices, reports, and benefit payments; provided, however, that the Plan Administrator may use the last address on file with it as a valid address. Any notice required or permitted to be given to any such Participant or Beneficiary shall be deemed given if directed to such address and mailed by regular United States mail, first class, postage prepaid. This provision shall not be construed as requiring the mailing of any notice or notification otherwise permitted to be given by posting or by other publication.

18.2 Lost Distributees. A benefit shall be deemed forfeited if the Plan Administrator is unable after a reasonable period of time to locate the Participant or Beneficiary to whom payment is due.

18.3 Reliance on Data. The Employer, the Committee, and the Plan Administrator shall have the right to rely on any data provided by the Participant or by any Beneficiary. Representations of such data shall be binding upon any party seeking to claim a benefit through a Participant; and the Employer, the Committee, and the Plan Administrator shall have no obligation to inquire into the accuracy of any representation made at any time by a Participant or Beneficiary.

18.4 Receipt and Release for Payments. Any payment made from the Plan to or with respect to any Participant or Beneficiary, or pursuant to a disclaimer by a Beneficiary, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Plan and the Employer with respect to the Plan. The recipient of any payment from the Plan may be required by the Committee, as a condition precedent to such payment, to execute a receipt and release with respect thereto in such form as shall be acceptable to the Committee.

18.5 Headings. The headings and subheadings of the Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

18.6 Continuation of Employment. The establishment of the Plan shall not be construed as conferring any legal or other rights upon any Employee or any persons for continuation of employment or the annual rate of compensation of any such pension for any period, nor shall it interfere with the right of the Employer to discharge any Employee or to deal with him without regard to the effect thereof under the Plan.

18.7 Construction. The provisions of the Plan shall be construed and enforced according to the laws of the State of North Carolina, without giving effect to its conflict of laws provisions.

18.8 Nonliability of Employer. The Employer does not guarantee the Participants, former Participants, or Beneficiaries against loss of or depreciation in value of any right or benefit that any of them may acquire under the terms of the Plan, nor does the Employer

guarantee to any of them that the assets of the Employer will be sufficient to provide any or all benefits payable under the Plan at any time, including any time that the Plan may be terminated or partially terminated.

18.9 Severability. All provisions contained in the Plan shall be severable, and in the event that any one or more of them shall be held to be invalid by any competent court, the Plan shall be interpreted as if such invalid provisions were not contained herein.

18.10 Merger and Consolidation. The Company shall not consolidate or merge into or with another corporation or entity, or transfer all or substantially all of its assets to another corporation, partnership, trust or other entities (a "Successor Entity") unless such Successor Entity shall assume the rights, obligations and liabilities of the Company under the Plan and upon such assumption, the Successor Entity shall become obligated to perform the terms and conditions of the Plan.

18.11 Withholding Taxes. The Employer shall satisfy all federal, state and local tax reporting and withholding tax requirements prior to making any benefit payment under the Plan. Whenever under the Plan payments are to be made by the Employer in cash, such payments shall be net of any amounts sufficient to satisfy all federal, state, and local withholding tax requirements.

18.12 Timing of 2005 Deferrals. The requirements of Article III relating to the timing of deferral elections shall not apply to any deferral elections for 2005 made on or before March 15, 2005; provided that the requirements of Q&A 21 of IRS Notice 2005-1 were met namely: (1) the amounts to which the deferral election related had not been paid or had not become payable at the time of the election; (2) the elections to defer compensation were made in accordance with the terms of the Plan as in effect on December 31, 2005 (other than a requirement to make a deferral election after March 15, 2005); (3) the Plan was otherwise operated in accordance with the requirements of Section 409A with respect to deferrals subject to Section 409A; and (4) the Plan shall be or has been amended to comply with Section 409A in accordance with applicable IRS guidance.

18.13 Compliance with Section 409A. Notwithstanding any other provision in the Plan or any agreement to the contrary, if and to the extent that Section 409A is deemed to apply to the Plan, it is the intention of Company that the Plan shall comply with Section 409A, and the Plan shall, to the extent practicable, be construed in accordance therewith. Without in any way limiting the effect of the foregoing, in the event that the provisions of Section 409A require that any special terms, provisions, or conditions be included in the Plan, then such terms, provisions and conditions shall, to the extent practicable, be deemed to be made a part of the Plan. Notwithstanding the foregoing, the Company, any Affiliate, the Board, the Committee, Compensation Committee, the Plan Administrator, or their designees or agents shall not be liable for any taxes, penalties, interest or other monetary amount that may be owed by any Participant, Beneficiary or any other person as a result of the deferral or payment of any amounts under the Plan or as a result of the administration of amounts subject to the Plan.

ARTICLE XIX
MANDATORY DEFERRALS

19.1 Introduction. Under the terms of certain annual bonus plans maintained by the Company (defined below as an "Eligible Plan"), Employees are required to defer receipt of a portion of their incentive award which is subject to vesting conditions as further described below ("Mandatory Deferral"). In addition to this Article 19, Mandatory Deferrals are subject all the terms of the Plan, to the extent applicable, except for Article III – Credits to Accounts; Article IV – Nonforfeitability of Accounts; Article V – Payment of Benefits and Article VI – Unforeseeable Emergency Payments.

19.2 Definitions

(1) The term **"Disabled"** or **"Disability"** shall mean a Truist Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the SunTrust Participant's employer and, in addition, has begun to receive benefits under Truist Financial Corporation Long Term Disability Plan.

(2) The term "**Eligible Plan"** mean the Functional Incentive Plan (or its successor) sponsored by Truist or an Affiliate which provides for bonus, incentive, commission or similar variable pay to Employees, which a portion of such pay is subject to mandatory deferral under this Plan.

(3) The term **"Incentive Award"** means the pre-tax amount of a Participant's bonus, incentive or commission, or similar variable pay which is earned under an Eligible Plan, disregarding any deferrals, offsets, or withholdings from such incentive award.

(4) The term **"Mandatory Deferral"** is that portion of an Incentive Award that the plan administrator determines is subject to deferral as established prior to the beginning of the Plan Year in which the Incentive Award is earned or as otherwise determined by the plan administrator. in compliance with Treas. Reg. § 1.409A-2(a)(2) (each, a "Mandatory Deferral").

(5) The term **"Mandatory Deferral Account"** shall mean the unfunded, separate bookkeeping accounts which are established and maintained with respect to each Participant who has Mandatory Deferrals credited under the Plan. The Mandatory Deferral Account will be established and maintained pursuant to the provisions of Article VII.

(6) The term "**Retirement"** shall mean a Separation from Service on or after attaining age fifty-five (55) and completing at least one-hundred and twenty (120) months (ten (10) years) of service commencing on date of hire. Each partial month shall be credited as a full month.

19.3 Credits to the Mandatory Deferral Accounts. Each Mandatory Deferral shall be credited to the Participant's Mandatory Deferral Account as soon as practicable after the amounts would have otherwise been paid.

19.4 Nonforfeitability of Mandatory Deferrals.

19.4.1 In General. The terms of the Eligible Plan shall determine whether all or part of each Mandatory Deferral is subject to a vesting schedule and if so, what the vesting schedule is. If the Mandatory Deferral is subject to a vesting schedule, it shall be one of the vesting schedules below:

(a) Ratably, over three years with the first vesting date being the December 31st of the year following the year in which the deferral is credited to the Participant's Mandatory Deferral Account; or,

(b) after 3 years (cliff-vesting) where the vesting date shall be the third anniversary of the December 31st of the Plan Year following the Plan Year in which the deferral is credited to the Participant's Mandatory Deferral Account.

The vesting schedule will be set forth in the applicable Eligible Plan.

19.4.2 Termination of Employment. If a Participant terminates employment with Truist and its Affiliates for any reason prior to satisfying the vesting requirements for each Mandatory Deferral, then that portion of the Mandatory Deferral that is not vested, and the earnings on such nonvested portion shall be forfeited and deducted from the Participant's Mandatory Deferral Account. Notwithstanding the foregoing, upon a Participant's death, Disability, Retirement or involuntary termination of employment resulting in the Participant's eligibility to receive benefits under the General Severance Plan for Employees of Truist Financial Corporation and Affiliates, the Participant's nonvested Account balance shall fully vest as of the date such forfeiture would otherwise occur.

19.5 Payment of Mandatory Deferrals

19.5.1 Distribution of Mandatory Deferrals. The vested portion of a Mandatory Deferral Account (as adjusted pursuant to Article VII) shall be paid in a lump sum in the first quarter of the calendar year immediately following the year of the applicable vesting date set forth in the Eligible Plan or, if earlier, upon the Participant's death or Disability, in accordance with Section 19.5.2 or 19.5.3, respectively.

19.5.2 Payment of Death Benefit. If a Participant dies, the 100% of the balances of their Mandatory Deferral Account shall be distributed to the Beneficiary in a

lump sum payment in the first quarter of the calendar year immediately following the year of the Participant's death. (provided that any payment that would occur before such calendar quarter shall be paid as scheduled).

19.5.3 Disability. If a Participant becomes Disabled at any time, 100% of their Mandatory Deferral Accounts will be distributed to the Participant in a lump sum payment in the first quarter of the calendar year immediately following the year in which the Participant becomes Disabled (provided that any payment that would occur before such calendar quarter shall be paid as scheduled).

19.5.4 Short-Term Deferral. Mandatory Deferrals are not intended to provide for any deferral of compensation subject to Section 409A of the Code, and, accordingly, Mandatory Deferrals will be paid no later than the March 15 of the year following the first calendar year in which any such amounts are no longer subject to a substantial risk of forfeiture, as such term is defined in Section 409A of the Code.

IN WITNESS WHEREOF, the Truist Financial Corporation Non-Qualified Defined Contribution Plan (June 1, 2020) is executed in behalf of the Company on this 1st day of June, 2020.

TRUIST FINANCIAL CORPORATION

By: /s/ Ellen M. Fitzsimmons
Title: Senior Executive Vice President

APPENDIX A

INVESTMENT FUNDS

A list of the Investment Funds available to Participants under the Plan shall be maintained by the Committee.

APPENDIX B

PARTICIPANTS

A list of the Eligible Employees who are eligible to participate in the Plan and a list of former Eligible Employees with Accrued Benefits under the Plan shall be maintained by the Committee. In addition, a list of Participants and Beneficiaries receiving Plan benefits shall also be maintained by the Committee.

APPENDIX C

PARTICIPATING AFFILIATES

A list of the Affiliates participating under the Plan shall be maintained by the Committee.

APPENDIX D

QUALIFYING PLANS EFFECTIVE

South National Corporation ESOP Excess Plan
Life Savings Bancorp, Inc. Non-Qualified Defined Contribution Plan

APPENDIX E

SPECIAL PROVISIONS FOR PRIOR PLANS

E.1 SPECIAL PROVISIONS RELATING TO SOUTHERN NATIONAL ESOP EXCESS PLAN. Prior to January 1, 1996, the Company sponsored and maintained the Southern National ESOP Excess Plan (the "SNC Excess Plan"). The purpose of the SNC Excess Plan was to restore to employees certain benefits ("restoration benefits") that would have been provided under the Southern National Corporation 401(k) Savings Plan (formerly known as the "Southern National Employee Stock Ownership Plan") except for the limitations imposed by Sections 401(k)(3) and 402(g)(1) of the Code. Since the restoration benefits provided by the SNC Excess Plan are now provided pursuant to Sections 3.1 and 3.2 of the Plan (and which restoration benefits were also provided under the SNC Plan and the Plan prior to this restatement), the SNC Excess Plan was frozen as of December 31, 1995. All employees who were participants in the SNC Excess Plan on December 31,1995, automatically became Participants in the SNC Plan on January 1, 1996. All participants' accounts under the SNC Excess Plan were combined with the separate bookkeeping accounts of similar character under the Plan as of January 1, 1997. Each Former SNC Excess Plan Participant's Tax-Deferred Contribution Account (formerly known as his "Employee's Pre-Tax Account") under the SNC Excess Plan became his Salary Reduction Account under the Plan. Each Former SNC Excess Plan Participant's Matching Contributions Account (formerly known as his "Company's Pre-Tax Account") became his Matching Account under the Plan. The balance in the accounts of each Former SNC Excess Plan Participant under the SNC Excess Plan were deemed invested in Company Stock. The amounts transferred from the accounts under the SNC Excess Plan to the separate bookkeeping accounts of similar character under the Plan shall remain deemed invested in Company Stock until a Former SNC Excess Plan Participant elects not to have such amounts deemed invested in Company Stock as provided in Section 7.3.

E.2 SPECIAL PROVISIONS RELATING TO CAPITAL ACCUMULATION PLAN FOR ELIGIBLE KEY EMPLOYEES OF SOUTHERN NATIONAL CORPORATION. Prior to January 1, 1996, the Company sponsored and maintained the Capital Accumulation Plan for Eligible Key Employees of Southern National Corporation (the "SNC Cap Plan"). The purpose of the SNC Cap Plan was to provide selected eligible key employees with the opportunity to defer on a pre-tax basis certain cash awards under the Company's annual and long-term incentive compensation award plans. Since the pre-tax deferral opportunity is provided under Section 3.3 of the Plan (and was also provided under the SNC Plan), the SNC Cap Plan was frozen as of December 31, 1995. All employees who were participants in the SNC Cap Plan automatically became Participants in the SNC Plan on January 1, 1996. Any deferrals credited to a Participant's account under the SNC Cap Plan were combined with the credits to his Incentive Compensation Account under the Plan effective as of January 1, 1997.

E.3 SPECIAL PROVISIONS RELATING TO SUPPLEMENTAL RETIREMENT BENEFIT OF SNC PLAN. Prior to January 1, 1997, Section 4.1 of the SNC Plan provided a special supplemental retirement benefit (the "Retirement Plan Supplement") to supplement the

benefits payable to Participants under the tax-qualified Southern National Corporation Pension Plan (the defined benefit plan sponsored by Truist Financial Corporation, formerly BB&T and which formerly had been known as the "Retirement Plan for the Employees of Branch Banking and Trust Company"). The provisions of the SNC Plan relating to the Retirement Plan Supplement have been incorporated into the non- qualified supplemental retirement plan which became effective as of January 1, 1997 and which is now known as the Truist Financial Corporation Non-Qualified Defined Benefit Plan (formerly known as the BB&T Non-Qualified Defined Benefit Plan).

E.4 SPECIAL PROVISIONS RELATING TO SCOTT & STRINGFELLOW, INC. AND SCOTT & STRINGFELLOW FINANCIAL, INC. DEFERRAL PLAN. Prior to July 1, 2001, Scott & Stringfellow, Inc. ("S&S") sponsored and maintained the Scott & Stringfellow, Inc. and Scott & Stringfellow Financial, Inc. Deferral Plan (the "S&S Plan"). The purpose of the S&S Plan was to provide selected key employees with the opportunity to defer compensation on a pre-tax basis and to restore certain benefits that would have been provided under the tax-qualified plan of S&S except for the limitations under the Code. Effective as of July 1, 2001, the S&S Plan was merged into the BB&T Supplemental Defined Contribution Plan for Highly Compensated Employees (the "Supplemental Plan"), and all participants in the S&S Plan (the "Former S&S Participants"), became Participants in the Supplemental Plan on such date. Each Former S&S Participant's Deferral Account under the S&S Plan became his Salary Reduction Account under the Supplemental Plan. Each Former S&S Participant's Profit Sharing Account under the S&S Plan became his Profit Sharing Account under the Supplemental Plan. Effective August 1, 2020, the Supplemental Plan was merged into the Plan. Notwithstanding the provisions of Article V of the Plan (and the Supplemental Plan), a Former S&S Participant's Profit Sharing Account shall be subject to the special distribution rules hereinafter set forth in this Appendix E.4.

1. Payment of Benefits Upon Termination of Service

(a) If a Former S&S Participant incurs a Separation from Service after his Tenth Anniversary (as defined in Section 3 of this Appendix E-4), the Former S&S Participant shall receive his Profit Sharing Account in a single sum cash payment within 60 days after the date that is six months and one day after his Separation from Service; provided, however, that if such 60-day period begins in one taxable year and ends in another, the Former S&S Participant shall not have the right to designate the taxable year of payment.

(b) If a Former S&S Participant incurs a Separation from Service before his Tenth Anniversary and the Former S&S Participant does not join a Competing Business (as defined in Section 3 of this Appendix E-4) within six months after his Separation from Service, the Former S&S Participant shall receive his Profit Sharing Account in a single sum cash payment within 60 days after the date that is six months and one day after his Separation from Service; provided, however, that if such 60-day period begins in one taxable year and ends in another, the Former S&S Participant shall not have the right to designate the taxable year of payment.

(c) If a Former S&S Participant incurs a Separation from Service before his Tenth Anniversary and joins a Competing Business within 6 months after his Separation from Service, the Former S&S Participant shall forfeit the amount credited to his Profit Sharing Account.

(d) If a Former S&S Participant dies while an Employee of the Employer and before receiving payment of his Profit Sharing Account, the balance in his Profit Sharing Account shall be paid to his Beneficiary as provided in Section 5.3.1. If a Former S&S Participant dies within six months after his Separation from Service, any amount that would have been payable to the Participant had he not died shall be paid to his Beneficiary as provided in Section 5.3.1.

2. Payment of Benefits After Age 70. Notwithstanding the foregoing, if a Former S&S Participant does not have a Separation from Service prior to attaining age 70, the Former S&S Participant's Profit Sharing Account shall be paid in a single sum cash payment within 90 days after the later of (i) the Former S&S Participant's 70th birthday or (ii) the Former S&S Participant's Tenth Anniversary; provided, however, that if such 90-day period begins in one taxable year and ends in another, the Former S&S Participant shall not have the right to designate the taxable year of payment.

3. Definitions for Appendix E.4.

(a) **Tenth Anniversary.** A Former S&S Participant's Tenth Anniversary shall be the date on which he completes 10 years of continuous employment with the Employer after the date he first became a participant in the S&S Plan.

(b) **Competing Business.** A Competing Business is any business that is engaged in an activity competitive with the business of the Employer in· the same geographic area in which the Employer does business. A Former S&S Participant will be considered to have joined a Competing Business if, within 6 months after the Former S&S Participant's Separation from Service, the Former S&S Participant, directly or indirectly, alone or as a member of a partnership or group, (i) owns greater than a 5% interest in a Competing Business or (ii) manages, operates, joins, controls, is employed by, is a director of, participates in, advises, or engages in management, ownership, operation or control of any Competing Business. The Plan Administrator shall have sole discretion to determine whether a Participant has joined a Competing Business, and the determination of the Plan Administrator shall be final and binding.

APPENDIX F

SUNTRUST ACCOUNTS

Effective June 1, 2020, the SunTrust Plan (as defined below) merged into the Plan. Notwithstanding anything in the Plan to the contrary, the terms of this Appendix F shall apply to SunTrust Accounts, including without limitation accounts maintained with respect to the 401(k) Excess Plan and the Prior Deferred Compensation Plan.

Definitions. Whenever used in this Appendix F, the following capitalized terms shall have the meaning set forth below. Capitalized terms used in this Appendix F and not otherwise defined herein shall have the meanings set forth in the Plan:

(1) The term **"Base Salary"** shall mean the pre-tax amount of a SunTrust Participant's regular base salary from the Company and all Affiliates as in effect from time to time during a Plan Year, disregarding any deferrals or withholdings from such base salary and including any compensation classified on the payroll as vacation pay or sick pay earned during that Plan Year. Base Salary shall not include any amount of a SunTrust Participant's base salary payable in a form denominated as "salary shares" or "salary units."

(2) The term **"Disabled"** or **"Disability"** shall mean a SunTrust Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the SunTrust Participant's employer and, in addition, has begun to receive benefits under SunTrust's Long-Term Disability Plan, or any successor.

(3) The term **"Eligible Income"** shall mean Base Salary and Incentive Awards.

(4) The term **"Eligible Plan"** shall mean any plan pursuant to which a Mandatory Deferral was made under the SunTrust Plan.

(5) The term **"401(k) Excess Plan"** shall mean the SunTrust Banks, Inc. 401(k) Excess Plan, which merged into the SunTrust Plan effective December 31, 2009.

(6) The term **"Incentive Award"** shall mean the pre-tax amount of a SunTrust Participant's bonus, incentive or commission, or similar variable pay, disregarding any deferrals, offsets, or withholdings from such incentive award, which is earned under an Eligible Plan. Notwithstanding the foregoing, Incentive Awards shall exclude any bonus pay that is not earned under a pre-determined plan, such as any non-reoccurring promotional program, referral, signing or spot bonuses, and any bonus pay that is payable on a monthly basis under an Eligible Plan.

(7) The term **"Mandatory Deferral"** shall mean: (i) any "Mandatory Deferral" made under the SunTrust Plan; and (ii) any 2020 Mandatory Deferral made under Section F.5 of this Appendix F.

(8) The term **"Prior Deferred Compensation Plan"** means the prior SunTrust Banks, Inc. Deferred Compensation Plan, which merged into the SunTrust Plan effective December 31, 2009.

(9) The term "**Retirement"** shall mean a SunTrust Participant's Separation from Service on or after attaining age fifty-five (55) and completing at least five (5) "Years of Vesting Service" as defined under the SunTrust Banks, Inc. Retirement Plan (or any successor plan).

(10) The term **"SunTrust Account"** shall mean the separate bookkeeping account to be kept for each SunTrust Participant pursuant to Section F.2.

(11) The term **"SunTrust Company Contribution Account"** shall mean the portion of a SunTrust Participant's SunTrust Account attributable to: (i) his or her "Company Contribution Account" under the SunTrust Plan immediately prior to June 1, 2020, and any earnings thereon; and (ii) matching and true-up contributions under Section F.6, and any earnings thereon.

(12) The term **"SunTrust Participant"** shall mean an individual who, as of immediately prior to June 1, 2020, was a "Participant" under the SunTrust Plan.

(13) The term **"SunTrust Plan"** shall mean the SunTrust Banks, Inc. Deferred Compensation Plan, amended and restated as of January 1, 2015, as amended from time to time.

(14) The term **"SunTrust 2020 Base Salary Deferral Election"** shall mean a SunTrust Participant's irrevocable election under the SunTrust Plan to defer Base Salary earned in 2020.

F.2 **Establishment of SunTrust Accounts.** A SunTrust Account shall be kept under this Appendix F for each SunTrust Participant.

F.3 **Prior SunTrust Plan Balances.** Effective June 1, 2020, any amount credited to a SunTrust Participant's "Account" and "Company Contribution Account" under the SunTrust Plan immediately prior to June 1, 2020, and any amount credited to a SunTrust Participant's accounts under the 401(k) Excess Plan and Prior Deferred Compensation Plan, shall be credited to his or her SunTrust Account.

F.4 **SunTrust 2020 Base Salary Deferral Elections.** A SunTrust Participant's SunTrust Account shall be credited with deferrals of Base Salary received by the SunTrust Participant on or after June 1, 2020 during the 2020 Plan Year, in accordance with his or her SunTrust 2020 Base Salary Deferral Election. For the avoidance of doubt, a SunTrust Participant's SunTrust 2020 Base Salary Deferral Election shall not apply to compensation for services performed in any future Plan Year. If a SunTrust Participant becomes Disabled or obtains a distribution under Section F.8.7 on account of an Unforeseeable Emergency, his or her outstanding 2020 Base Salary Deferral Election under this Section F.4 shall be cancelled and no further Base Salary will be deferred under such election.

F.5 **SunTrust 2020 Mandatory Deferrals.** If any portion of an Incentive Award earned for the 2020 Plan Year is subject to mandatory deferral (as provided in the applicable Eligible Plan) (each, a "2020 Mandatory Deferral"), then such 2020 Mandatory Deferral shall be subject to the provisions of this Appendix F. With respect to such 2020 Mandatory Deferral, the terms of the Eligible Plan shall determine whether all or part of such 2020 Mandatory Deferral is subject to a vesting schedule and if so, what the vesting schedule is; and whether such 2020 Mandatory Deferral is subject to any special investment restrictions. Each 2020 Mandatory Deferral shall be credited to the SunTrust Participant's SunTrust Account as soon as practicable after the amounts would have otherwise been paid and be paid in accordance with Section F.8.8.

F.6 **SunTrust Company Contributions.** A SunTrust Participant's SunTrust Company Contribution Account shall be credited with the following amounts:

F.6.1 **Matching Contributions.** The Company shall credit to a SunTrust Participant's SunTrust Company Contribution Account an amount, if any, equal to his or her elective deferrals credited for the 2020 Plan Year under Section F.4 up to a maximum of 6% of the difference between Sections F.6.1(a) and (b) below:

(a) An amount equal to the lesser of: (i) the SunTrust Participant's Eligible Income paid or deferred during the 2020 Plan Year, or (ii) two (2) times the annual compensation limit under Code section 401(a) (17) for the 2020 Plan Year; and

(b) The annual compensation limit under Code section 401(a) (17) for the 2020 Plan Year.

Subject to the limitation above, each SunTrust Participant's SunTrust Company Contribution Account shall be credited with contributions under this Section F.6.1 as earned on a pay period basis after the total of such SunTrust Participant's Eligible Income from the Company or an Affiliate reaches the annual compensation limit under Code section 401(a) (17) for the 2020 Plan Year.

F.6.2 **True-Up Contributions.** The Company shall credit to a SunTrust Participant's SunTrust Company Contribution Account the following amounts, if applicable (a "True-Up Contribution"):

(a) **Nonqualified True-Up Contribution.** As soon as practicable on or after the last payroll processing date of the 2020 Plan Year, for each SunTrust Participant who was eligible to defer Base Salary in 2020 under the SunTrust Plan, the Company shall make a True-Up Contribution, if any, equal to the difference between (i) the matching contributions for the SunTrust Participant determined for such Plan Year under Section 3.5(a) of the SunTrust Plan and Section F.6.1, regardless of when the Participant reaches the annual compensation limit under Code section 401(a)(17), minus (ii) the actual amount of any matching contributions under Section

3.5(a) of the SunTrust Plan and Section F.6.1 credited during the 2020 Plan Year. In no event shall this True-Up Contribution exceed the SunTrust Participant's total elective deferrals under Section 3.2 of the SunTrust Plan and Section F.4 for the 2020 Plan Year.

(b) **Savings Plan True-Up Contribution.** As soon as practicable on or after the last payroll processing date of the 2020 Plan Year, for each SunTrust Participant who defers compensation under the SunTrust Banks, Inc. 401(k) Savings Plan or its successor (the "Savings Plan") equal to the maximum contribution limit under Code section 402(g) and whose "Compensation" (as defined in the Savings Plan) during the 2020 Plan Year is less than the Code section 401(a)(17) limit for such Plan Year solely as a result of making elective deferrals under the SunTrust Plan or this Appendix F, the Company shall make a True-Up Contribution equal to six (6) percent of the difference between (x) the Code section 401(a)(17) limit for such Plan Year, minus (y) the amount of "Compensation" (as defined in the Savings Plan) paid to the Participant during such Plan Year.

F.7 **Vesting.** Except with respect to the portion of the SunTrust Account attributable to amounts credited to the accounts under the 401(k) Excess Plan and Prior Deferred Compensation Plan, the following vesting provisions apply to amounts credited to a SunTrust Participant's SunTrust Account:

F.7.1 **Generally.** Except as provided in Sections F.7.2, a SunTrust Participant's interest in his SunTrust Account is one hundred percent (100%) vested and nonforfeitable at all times.

F.7.2 **Mandatory Deferrals.** If a SunTrust Participant's SunTrust Account has any amount attributable to a Mandatory Deferral that is subject to a vesting period (as set forth in the applicable Eligible Plan), and the SunTrust Participant terminates employment with the Company and its Affiliates for any reason prior to meeting the vesting requirements for such Mandatory Deferral, then that portion of the Mandatory Deferral that is not vested, and the earnings on such nonvested portion shall be forfeited and deducted from the SunTrust Participant's SunTrust Account. Notwithstanding the foregoing, unless approved by an officer who is an Executive Manager of the Company and otherwise specified in the Eligible Plan, upon a SunTrust Participant's death, Disability, Retirement or involuntary termination of employment resulting in the Participant's eligibility to receive benefits under the SunTrust Banks, Inc. Severance Pay Plan, or a successor, (disregarding for purposes of determining eligibility, the SunTrust Participant's eligibility to receive severance benefits under another severance plan or individual agreement maintained by the Company or an Affiliate), the SunTrust Participant's nonvested SunTrust Account balance shall fully vest as of the date such forfeiture would otherwise occur.

F.8 **Payment of SunTrust Accounts.** Except with respect to the portion of the SunTrust Account attributable to amounts credited to the accounts under the 401(k) Excess Plan and Prior Deferred Compensation Plan, a SunTrust Participant's SunTrust Account shall be paid as follows:

F.8.1 **Normal Form of Payment and Commencement.** Except as otherwise provided in this Appendix F, when a SunTrust Participant Separates from Service for any reason, he shall be paid the vested balance of his or her SunTrust Account, if any, in a single lump sum cash payment during the first quarter of the calendar year immediately following the year in which his or her Separation from Service occurs.

F.8.2 **Alternate Form of Payment Election.** To the extent validly elected by a SunTrust Participant under the SunTrust Plan with respect to an amount in his or her SunTrust Account, such amount shall be distributed in five (5) annual installments, with the first payment commencing in the first quarter of the calendar year immediately following the year in which the SunTrust Participant Separates from Service. Each subsequent annual installment shall be paid during the first quarter of each of the subsequent four (4) calendar years. Notwithstanding any such election by a SunTrust Participant, if the sum of the SunTrust Participant's total vested benefits under the Plan, including amounts credited under the 401(k) Excess Plan, the Prior Deferred Compensation Plan and any other account balance plan required to be aggregated with the Plan, as described in Treas. Reg. § 1.409A-1(c)(2)(i), is less than the applicable dollar amount under Code section 402(g)(1)(B) at the time payments commence under this Section F.8.2, the vested balance of his or her SunTrust Account shall be distributed in a lump sum payment during the first quarter of the calendar year immediately following the year in which he or she Separates from Service.

F.8.3 **In-Service Distribution Election.** To the extent validly elected by a SunTrust Participant under the SunTrust Plan with respect to an amount in his or her SunTrust Account, such amount (and any earnings thereon) shall be paid to the SunTrust Participant as of a specified date validly designated by such SunTrust Participant under such election. Unless otherwise specified on the applicable deferral election form or as set forth herein, the deferred amount subject to this election will be paid in a lump sum on the date determined by the Committee within the first quarter of the calendar year selected by the SunTrust Participant as the specified date for payment. Notwithstanding the foregoing, if a SunTrust Participant should Separate from Service before the applicable specified date, any vested amount subject to an in-service distribution election pursuant to this Section F.8.3 will be paid in a lump sum in accordance with Section F.8.1 and will not be subject to an election, if any, under Section F.8.2.

F.8.4 **Subsequent Deferral Election.** To the extent a SunTrust Participant made a valid election to subsequently change the time or form of distribution of any amount under the SunTrust Plan, such election shall continue to apply to such amount (and any earnings thereon); provided that such election shall be effective only if the following conditions are satisfied:

(a) The new election may not take effect until at least twelve (12) months after the date on which the new election is made;

(b) In the case of an election to change the time or form of a distribution of an amount described in Section F.8.1, F.8.2, or F.8.3, a distribution may not be made earlier than at least five (5) years from the date the distribution would have otherwise been made; and

(c) In the case of an election to change the time of a distribution of an amount described in Section F.8.3, the election must be made at least twelve (12) months before the date the distribution is scheduled to be paid.

F.8.5 **Payment of Death Benefit.** Notwithstanding any elections by a SunTrust Participant or provisions of Appendix F to the contrary, if a SunTrust Participant dies at any time (including after his or her Separation from Service), the vested balance in his or her SunTrust Account, if any, shall be distributed to his or her Beneficiary (determined in accordance with Article XII of the Plan) in a lump sum payment in the first quarter of the calendar year immediately following the year of the SunTrust Participant's death (provided that any payment that would occur before such calendar quarter shall be paid as scheduled).

F.8.6 **Disability.** Notwithstanding any elections by a SunTrust Participant or provisions of this Appendix F to the contrary, if a SunTrust Participant becomes Disabled at any time, then his vested balance in his or her SunTrust Account, if any, will be distributed to the SunTrust Participant in a lump sum payment in the first quarter of the calendar year immediately following the year in which the SunTrust Participant becomes Disabled (provided that any payment that would occur before such calendar quarter shall be paid as scheduled).

F.8.7 **Withdrawals for Unforeseeable Emergency.** Except as provided in Section F.8.8, a SunTrust Participant may withdraw all or any portion of the vested balance in his or her SunTrust Account, if any, for an Unforeseeable Emergency in accordance with Article VI of the Plan.

F.8.8 **Distribution of Mandatory Deferrals.** Notwithstanding any other provision of this Appendix F to the contrary, the vested portion of an amount attributable to a Mandatory Deferral shall be paid in a lump sum on the specified date for each Mandatory Deferral set forth in the Eligible Plan or, if earlier, upon the SunTrust Participant's death or Disability in accordance with Section F.8.5 or F.8.6,

respectively. In no event shall any Mandatory Deferrals be subject to an election under Section F.8.2, F.8.3 or F.8.4, or to payment under Section F.8.7.

F.8.9 **Key Employee Delay.** Notwithstanding any other provision of Appendix F to the contrary, in the event that a SunTrust Participant is a Specified Employee at the time of his Separation from Service, to the extent that any portion of his vested SunTrust Account would constitute "nonqualified deferred compensation" within the meaning of Section 409A, such portion shall be paid in accordance with Section 5.2.2(b) of the Plan.

F.9 **401(k) Excess Plan and Prior Deferred Compensation Plan.** Notwithstanding anything in this Appendix F to the contrary, the distribution of all amounts in a SunTrust Participant's SunTrust Account attributable to amounts earned prior to 2010 and deferred under the 401(k) Excess Plan or the Prior Deferred Compensation Plan shall be made in accordance with the terms of the 401(k) Excess Plan and the Prior Deferred Compensation Plan as in effect immediately prior to the merger of those two plans into the SunTrust Plan on December 31, 2009, including any "grandfathered amounts" that were earned and vested (within the meaning of Section 409A and regulations thereunder) under each plan prior to 2005 (and earnings thereon) (the "Grandfathered Amounts"). Benefits earned under the 401(k) Excess Plan and the Prior Deferred Compensation Plan prior to 2010 have been maintained in separate accounts. The relevant terms of the 401(k) Excess Plan and the Prior Deferred Compensation Plan, including the provisions relating to the Grandfathered Amounts, are summarized in Addenda A and B to this Appendix F, respectively.

F.10 **Plan Terms Apply.** Except as otherwise specifically provided in this Appendix F, the terms and conditions of the Plan shall apply to SunTrust Accounts.

Addendum A to Appendix F

AMOUNTS DEFERRED UNDER 401(K) EXCESS PLAN

The following provisions in this Addendum A summarize the distribution and certain other rules in effect during the stated periods under the SunTrust Banks, Inc. 401(k) Excess Plan, amended and restated effective as of January 1, 2009 (the "401(k) Excess Plan"). However, other than certain administrative changes described below, nothing in this Addendum A shall change or alter the terms of the 401(k) Excess Plan in effect as of any date. Except as otherwise noted herein, all capitalized terms in this Addendum A shall be defined in accordance with the terms of the 401(k) Excess Plan as in effect immediately prior to the plan merger with the SunTrust Banks, Inc. Deferred Compensation Plan (the "Prior Deferred Compensation Plan") on December 31, 2009, and all Section references in this Addendum A shall refer to Sections in this Addendum A or the Section of the 401(k) Excess Plan in effect as of a certain date.

Distribution of amounts deferred (and earnings thereon) under the 401(k) Excess Plan that were earned and vested (within the meaning of Code section 409A) prior to 2005 and that are exempt from the requirements of Code section 409A (the "401(k) Excess Plan Grandfathered Amounts") shall be made in accordance with the terms of the 401(k) Excess Plan as in effect on October 3, 2004, and as summarized in Part A1 of this Addendum A.

Distribution of amounts deferred (and earnings thereon) under the 401(k) Excess Plan that were earned for services performed during the period from January 1, 2005 to December 31, 2009 ("401(k) Excess Plan 2005-2009 Amounts") shall be made in accordance with the terms of the 401(k) Excess Plan as in effect immediately prior to the plan merger with the Prior Deferred Compensation Plan on December 31, 2009, and as summarized in Part A2 of this Addendum A.

On December 6, 2019, SunTrust Banks, Inc. and BB&T Corporation merged to form Truist Financial Corporation. This Addendum A reflects changes in the administration of the 401(k) Excess Plan subsequent to such merger. For purpose of this Addendum A, the following terms shall have the meanings set forth in the Truist Financial Corporation Non-Qualified Defined Contribution Plan: Affiliate; Beneficiary; Board; the Committee; and the Company.

PART A1

401(K) EXCESS PLAN GRANDFATHERED AMOUNTS

Article 6

Distributions

A1-6.1 Normal Form of Payment and Commencement. Except as otherwise provided in this Section A1-6.1, when a Participant separates from service with the Company and its Affiliates for any reason, he shall be paid his 401(k) Excess Plan benefit in a single lump-sum cash payment during the first quarter of the calendar year immediately following the year of his

separation. The amount payable to the Participant shall be equal to the balance of the Participant's Account as of the Valuation Date immediately preceding the date of distribution, less withholding for applicable federal and state taxes.

A1-6.2 Alternate Form of Payment Election. A Participant may elect, in lieu of the lump-sum payment described in Section A1-6.1, to receive payment of his total benefit under this 401(k) Excess Plan in five (5) substantially equal annual installments, payable in cash; provided that such election is effective, as set forth below, at least twelve (12) months before the scheduled payment date following the Participant's separation from service. The initial installment shall be paid during the first quarter of the calendar year immediately following the year of his separation. Each subsequent annual installment shall be paid during the first quarter of each of the subsequent four calendar years. Each installment payment shall be determined based on the balance of the Participant's Account as of the Valuation Date immediately preceding the date of payment and shall be reduced by withholding for applicable federal and state taxes. A Participant's election to receive installment payments of his 401(k) Excess Plan benefit pursuant to this Section A1-6.2 shall be made in writing on such forms as may be provided by the Committee and shall not be effective until received and approved by the Committee.

A1-6.3 Death. In the event of a Participant's death, the Committee shall authorize payment to the Participant's Beneficiary of any benefits due hereunder but not paid to the Participant prior to his death. Payment shall be made at the same time as if the Participant had retired on the date of his death and in accordance with the Participant's distribution election in effect at his death. The Beneficiary may request a change in the form of payment by making a written request to the Committee prior to January 1 of the calendar year in which the benefit will be paid. The Committee has sole discretion and authority to approve or deny the Beneficiary's request, taking into account such factors as the Committee may deem appropriate.

If a Participant dies after having received one or more installments but before all installment payments have been made, the remaining annual installment payments shall be paid to his Beneficiary at the same time they would otherwise have been paid to the Participant. The Beneficiary may request an accelerated payment in the form of a lump-sum cash payment by making a written request to the Committee prior to the January 1 of the calendar year in which the benefit will be paid. The Committee has sole discretion and authority to approve or deny the Beneficiary's request.

A1-6.4 Disability. A Participant shall be entitled to payment of his 401(k) Excess Plan benefit in the event of his Total Disability only if the conditions of Subsections A1-6.4.1 and A1-6.4.2 are met. In such situation, payment of the Participant's benefit shall commence pursuant to Sections A1-6.1 or A1-6.2 as if the Participant separated from service on the date all such conditions are met. A Participant shall be considered to have a Total Disability only if:

A1-6.4.1 The Participant has incurred a "Total Disability" as such term is defined in the SunTrust Banks, Inc. Long-Term Disability Plan (or any successor plan), which entitle the Participant to disability payments under such Plan; and

A1-6.4.2 The Committee determines, in its sole discretion, based upon medical evidence furnished by the Participant, that the disability is anticipated to be a permanent disability.

A1-6.5 Extreme Financial Hardship. A Participant may request a distribution of all or part of his vested 401(k) Excess Plan benefit prior to the date specified in Sections A1-6.1 through A1-6.4 due to an extreme financial hardship, by submitting a written request to the Committee with evidence satisfactory to the Committee to demonstrate the circumstances constituting the extreme financial hardship. The Committee, in its sole discretion, shall determine whether an extreme financial hardship exists. An extreme financial hardship means an immediate, catastrophic financial need of the Participant occasioned by (i) a tragic event, such as the death, total disability, serious injury or illness of a Participant or the Participant's spouse, child or dependent; or (ii) an extreme financial reversal or other impending catastrophic event which has resulted in, or will result in, harm to the Participant or the Participant's spouse, child or dependent. A distribution for extreme financial hardship may not exceed the amount required to meet the hardship and may be made only if the Committee finds the extreme financial hardship may not be alleviated from other resources reasonably available to the Participant, including without limitation, liquidation of investment assets or luxury assets, or loans from financial institutions or other sources. The Committee shall have the authority to require the Participant to provide such evidence as the Committee deems necessary to determine whether distribution is warranted pursuant to this Section A1-6.5. The Committee shall use uniform and nondiscriminatory standards in reviewing any requests for distributions to meet an extreme financial hardship.

A1-6.5.1 Form and Commencement. A hardship distribution to a Participant pursuant to this Section A1-6.5 shall be made in a single lump-sum cash payment (less withholding for applicable federal and state taxes) as soon as practicable after the Committee approves the hardship request. Amounts distributed for hardship shall be deemed to reduce pro rata the deemed investment in each Investment Fund, including any Employer Stock, in the Participant's Account.

A1-6.5.2 Accelerated Installment Payments. A Participant who has commenced receiving installment payments pursuant to Section A1-6.2 may request acceleration of such payments in the event of an extreme financial hardship. The Committee may permit accelerated payments to the extent such accelerated payment does not exceed the amount necessary to meet the extreme financial hardship.

A1-6.6 Payment to Guardian, Legal Representative or Other. If a benefit hereunder is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of his property, the Committee may direct payment of such Plan benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution of the benefit. A payment pursuant to this Section A1-6.6 shall completely discharge the Committee and the Company from all liability with respect to such benefit.

Article 9

Miscellaneous

A1-9.8 Right to Amend or Terminate Plan. The Company expects to continue this 401(k) Excess Plan indefinitely, but reserves the right to amend or discontinue the 401(k) Excess Plan should it deem such an amendment or discontinuance necessary or desirable, subject to the restrictions on amendments after a Change in Control. Any individual or entity who is authorized to amend or terminate the Truist Financial Corporation Non-Qualified Defined Contribution Plan under Article XIII thereof shall similarly be authorized on behalf of the Company to amend or discontinue the 401(k) Excess Plan. However, if the Company should amend or discontinue this 401(k) Excess Plan, the Company shall be liable for any contributions and earnings thereon that have accrued and are vested as of the date of such action.

PART A2

401(K) EXCESS PLAN 2005-2009 AMOUNTS

Article 5

Vesting

A2-5.1 Generally. Except as provided in Section 4.3 with respect to excess matching contributions which are deemed a forfeiture and in Section A2-5.2, a Participant's interest in his benefit under the 401(k) Excess Plan is one hundred percent (100%) vested and nonforfeitable at all times.

A2-5.2 Exception. A Participant and his Beneficiary shall completely forfeit that portion of his benefit under the 401(k) Excess Plan attributable to Employer matching contributions pursuant to Sections 4.3 and 4.6 (whenever allocated) if the Participant is terminated for Cause by the Company or an Affiliate. Forfeiture under this Section A2-5.2 shall be in addition to any other remedies which may be available to the Company or an Affiliate at law or in equity. This Section A2-5.2 shall not apply to any Participant to whom Article 7 applies or to any ANEX Plan Frozen Balance.

Article 6

Distributions

A2-6.1 Normal Form of Payment and Commencement. Except as otherwise provided in this Article 6, when a Participant Separates from Service with the Company and its Affiliates for any reason, he shall be paid his 401(k) Excess Plan benefit in a single lump-sum cash payment during the first quarter of the calendar year immediately following the year of his Separation from Service. The amount payable to the Participant shall be equal to the balance of the Participant's Account as of the Valuation Date immediately preceding the date of distribution,

less any required withholding for applicable federal and state income taxes and employment taxes.

A2-6.2 Alternate Form of Payment Election. A Participant who does not wish to have his benefit under this 401(k) Excess Plan paid in a lump sum pursuant to Section A2-6.1 may elect on a Deferral Election Form to have the portion of his Account related to amounts deferred pursuant to the Deferral Election Form (and earnings thereon) distributed in five (5) annual installments, with the first payment commencing in the first quarter of the calendar year immediately following the year in which the Participant's Separation from Service occurs. Each subsequent annual installment shall be paid during the first quarter of each of the subsequent four (4) calendar years.

A2-6.2.1 Procedure for Installment Election. A Participant's election to receive installment payments of the portion of his Account described above in Section A2-6.2 shall be made on such forms, written or electronic, as may be provided by the Committee and shall not be effective until received and approved by the Committee by the relevant Election Date in accordance with Section 2.1. Each installment payment shall be determined based on the vested balance of such portion of the Participant's Account as of the Valuation Date immediately preceding the date of payment.

A2-6.2.2 Cash-Out. Notwithstanding any elections by a Participant, effective on and after January 1, 2009, if the sum of a Participant's vested Account balance under this 401(k) Excess Plan and any other account balance plan, as described in Treas. Reg. § 1.409A-1(c)(2)(i), is less than the applicable dollar amount under Code section 402(g)(1)(B) at the time of payment, the full vested Account balance shall be distributed in a lump sum payment during the first quarter of the calendar year immediately following the year in which his Separation from Service occurs, subject to the delay for Key Employee as set forth in Section A2-6.3.

A2-6.3 Key Employee Delay. Notwithstanding anything herein to the contrary, distributions may not be made to a Key Employee upon a Separation from Service before the date which is six (6) months after the date of the Key Employee's Separation from Service (or, if earlier, the date of death of the Key Employee). Any payments that would otherwise be made during this period of delay shall be accumulated and paid in the seventh month following the Participant's Separation from Service.

A2-6.4 Subsequent Deferral Election. A Participant may make one or more subsequent elections to change the time or form of a distribution for a deferred amount in accordance with the procedures and distribution rules established by the Committee, but any change in the election shall be effective only if the following conditions are satisfied:

A2-6.4.1 The new election may not take effect until at least twelve (12) months after the date on which the new election is made;

A2-6.4.2 In the case of an election to change the time or form of a distribution under Section A2-6.1 (lump sum payment after Separation from Service) or

A2-6.2 (installments after Separation from Service), a distribution may not be made earlier than at least five (5) years from the date the distribution would have otherwise been made; and

A2-6.4.3 The new election must be made at least twelve (12) months before the date the distribution is scheduled to be paid.

A2-6.5 Payment of Death Benefit. Notwithstanding any elections by the Participant or provisions of the 401(k) Excess Plan to the contrary, if a Participant dies at any time (including after his Separation from Service), the Committee shall authorize payment to the Participant's Beneficiary of any vested benefits due under the 401(k) Excess Plan but not paid to the Participant prior to his death. Payment of the Participant's vested Account balance shall be distributed to the Beneficiary in a lump sum payment in the first quarter of the calendar year immediately following the year of the Participant's death (provided that any payment that would occur before such calendar quarter shall be paid as scheduled).

A2-6.6 Disability. Notwithstanding any elections by a Participant or provisions of the 401(k) Excess Plan to the contrary, if a Participant becomes Disabled at any time, then his vested Account balance will be distributed to the Participant in a lump sum payment in the first quarter of the calendar year immediately following the year in which the Participant becomes Disabled (provided that any payment that would occur before such calendar quarter shall be paid as scheduled).

A2-6.7 Withdrawals for Unforeseeable Emergency. A Participant may withdraw all or any portion of his vested Account balance for an Unforeseeable Emergency. The amounts distributed with respect to an Unforeseeable Emergency may not exceed the amounts necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship) or by cessation of deferrals under this 401(k) Excess Plan.

A2-6.7.1 Definition. "Unforeseeable Emergency" means, for this purpose, a severe financial hardship to a Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code section 152(a)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

A2-6.7.2 Participant Evidence. The Committee shall have the authority to require the Participant to provide such evidence as it deems necessary to determine whether distribution is warranted pursuant to this Section A2-6.7. The Committee shall use uniform and nondiscriminatory standards in reviewing any requests for distributions to meet an Unforeseeable Emergency. Amounts distributed under this Section A2-6.7

shall be deemed to reduce pro rata the deemed investment in each Investment Fund in the Participant's Account.

A2-6.7.3 Accelerated Payments. A Participant who has commenced receiving installment payments pursuant to Section A2-6.2 shall receive an accelerated payment of such installments under this Section A2-6.7.3 to the extent such accelerated payment does not exceed the amount necessary to meet the Unforeseeable Emergency.

A2-6.8 Special One-Time Election. Notwithstanding any prior elections or 401(k) Excess Plan provisions to the contrary, a Participant who was an employee of the Company and its Affiliates (including on a paid leave of absence) may have made an election to receive all or a specified portion of his or her Account pursuant to Section A2-6.1 and A2-6.2. Any such election must have become irrevocable on or before December 31, 2008 and must have been made in accordance with the procedures and distribution rules established by the Compensation Committee of SunTrust Banks, Inc. and the transition rules under Code section 409A.

A2-6.9 Pre-2005 Deferrals. Notwithstanding the foregoing, Part A1 of this Addendum A governs the distribution of amounts that were earned and vested (within the meaning of Code section 409A and regulations thereunder) under the 401(k) Excess Plan prior to 2005 (and earnings thereon) and are exempt from the requirements of Code section 409A.

A2-6.10 Effect of Taxation. If a portion of the Participant's Account balance is includible in income under Code section 409A, such portion shall be distributed immediately to the Participant.

A2-6.11 Permitted Delays. Notwithstanding the foregoing, any payment to a Participant under the 401(k) Excess Plan shall be delayed upon the Committee's reasonable anticipation that the making of the payment would violate Federal securities laws or other applicable law; provided that any payment delayed pursuant to this Section A2-6.11 shall be paid in accordance with Code section 409A on the earliest date on which the Company reasonably anticipates that the making of the payment will not cause a violation of Federal securities laws or other applicable law.

Article 7

Change in Control

A2-7.1 Purpose. On December 6, 2019, a "Change in Control" (within the meaning of this Article 7) occurred. The purpose of this Article 7 is to provide protection for the benefits payable under this 401(k) Excess Plan to a Participant who was affected by the Change in Control.

A2-7.2 Amendment Restrictions. No amendment shall be made to this 401(k) Excess Plan thereafter which would adversely affect in any manner whatsoever the benefit payable under this 401(k) Excess Plan to any Participant to which this Article 7 applies absent the express written consent of all such Participants. Notwithstanding the foregoing, the Company

may amend this 401(k) Excess Plan without Participant consent to the extent such an amendment is required by law or is necessary or desirable to prevent adverse tax consequences to Participants or their Beneficiaries provided that the Company obtains the written opinion of outside counsel that such an amendment is required by law or is necessary or desirable to prevent adverse tax consequences to Participants or their Beneficiaries.

Article 9

Miscellaneous

A2-9.8 Right to Amend or Terminate Plan. The Company expects to continue this 401(k) Excess Plan indefinitely, but reserves the right to amend or discontinue the 401(k) Excess Plan should it deem such an amendment or discontinuance necessary or desirable. Any individual or entity who is authorized to amend or terminate the Truist Financial Corporation Non-Qualified Defined Contribution Plan under Article XIII thereof shall similarly be authorized on behalf of the Company to amend or discontinue the 401(k) Excess Plan. However, if the Company should amend or discontinue this 401(k) Excess Plan, the Company shall be liable for payment of any amounts deferred under this 401(k) Excess Plan and earnings thereon that have accrued and are vested as of the date of such action.

A2-9.8.1 Distribution of Accounts. If the Company terminates the 401(k) Excess Plan, distribution of balances in Accounts shall be made to Participants and Beneficiaries in the manner and at the time as provided in Article 6, unless the Company determines in its sole discretion that all such amounts shall be distributed upon termination in accordance with the requirements under Code section 409A.

A2-9.8.2 409A Requirements. Notwithstanding the foregoing, no amendment of the 401(k) Excess Plan shall apply to amounts that were earned and vested (within the meaning of Code section 409A and regulations thereunder) under the 401(k) Excess Plan prior to 2005, unless the amendment specifically provides that it applies to such amounts. The purpose of this restriction is to prevent a 401(k) Excess Plan amendment from resulting in an inadvertent "material modification" to amounts that are "grandfathered" and exempt from the requirements of Code section 409A.

Addendum B to Appendix F

AMOUNTS DEFERRED UNDER THE

PRIOR DEFERRED COMPENSATION PLAN

The following provisions in this Addendum B summarize the distribution and certain other rules in effect during the stated periods under the SunTrust Banks, Inc. Deferred Compensation Plan, amended and restated effective January 1, 2009 (the "Prior Deferred Compensation Plan"). However, other than certain administrative changes described below, nothing in this Addendum B shall change or alter the terms of the Prior Deferred Compensation Plan in effect as of any

date. Except as otherwise noted herein, all capitalized terms in this Addendum B shall be defined in accordance with the terms of the Prior Deferred Compensation Plan as in effect immediately prior to the plan merger with the SunTrust Banks, Inc. 401(k) Excess Plan (the "401(k) Excess Plan") on December 31, 2009, and all Section references in this Addendum B shall refer to Sections in this Addendum B or the Section of the Prior Deferred Compensation Plan in effect as of a certain date.

Distribution of amounts deferred (and earnings thereon) under the Prior Deferred Compensation Plan that were earned and vested (within the meaning of Code section 409A) prior to 2005 and that are exempt from the requirements of Code section 409A (the "Prior Deferred Compensation Plan Grandfathered Amounts") shall be made in accordance with the terms of the Prior Deferred Compensation Plan as in effect on October 3, 2004, and as summarized in Part B1 of this Addendum B.

Distribution of amounts deferred (and earnings thereon) under the Prior Deferred Compensation Plan that were earned for services performed during the period from January 1, 2005 to December 31, 2009 or that were earned for services prior to 2005 and vested after 2004 (the "Prior Deferred Compensation Plan 2005-2009 Amounts") shall be made in accordance with the terms of the Prior Deferred Compensation Plan as in effect immediately prior to the plan merger with the 401(k) Excess Plan on December 31, 2009, and as summarized in Part B2 of this Addendum B.

On December 6, 2019, SunTrust Banks, Inc. and BB&T Corporation merged to form Truist Financial Corporation. This Addendum B reflects changes in the administration of the Prior Deferred Compensation Plan subsequent to such merger. For purpose of this Addendum B, the following terms shall have the meanings set forth in the Truist Financial Corporation Non-Qualified Defined Contribution Plan: Affiliate; Beneficiary; Board; the Committee; and the Company.

PART B1

PRIOR DEFERRED COMPENSATION PLAN GRANDFATHERED AMOUNTS

Article 6

Distributions

B1-6.1 Normal Form of Payment and Commencement. Except as otherwise provided in this Section B1-6.1, when the Participant separates from service with the Company and its Affiliates for any reason, he shall be paid his vested benefit under this Plan in a single lump sum cash payment during the first quarter of the calendar year immediately following the year of his separation. The amount payable to the Participant shall be equal to the vested balance of the Participant's Account as of the Valuation Date immediately preceding the date of distribution, less withholding for applicable federal and state taxes.

B1-6.2 Alternate Form of Payment Election. A Participant may elect, in lieu of the lump-sum payment described in Section B1-6.1, to receive payment of his total vested benefit under

this Plan in five (5) substantially equal annual installments, payable in cash; provided that such election is effective, as set forth below, at least twelve (12) months before the scheduled payment date following the Participant's separation from service. The initial installment shall be paid during the first quarter of the calendar year immediately following the year of his separation. Each subsequent annual installment shall be paid during the first quarter of each of the subsequent four (4) calendar years. Each installment payment shall be determined based on the balance of the Participant's Account as of the Valuation Date immediately preceding the date of payment and shall be reduced by withholding for applicable federal and state taxes. A Participant's election to receive installment payments of his Plan benefit pursuant to this Section B1-6.2 shall be made in writing on such forms as may be provided by the Committee and shall not be effective until received and approved by the Committee.

B1-6.3 In-Service Distribution Election without Reduction. A Participant may file an election with the Committee for a future in-service distribution of his deferred Award(s) for each Plan Year without incurring a penalty, provided the election is made no less than four (4) years and no more than fifteen (15) years prior to the Designated Distribution Date. A Participant's election for an in-service distribution pursuant to this Section B1-6.3 shall be a part of his Deferral Election Form and shall be filed with the Committee on or before the Election Date for the applicable Plan Year.

A Participant's Award to which an in-service distribution election applies pursuant to this Section B1-6.3 shall be maintained as a sub-account of the Participant's Account unless all of the Participant's Awards deferred pursuant to this Plan are subject to an in-service distribution election with the same Designated Distribution Date. Awards deferred and not subject to an in-service distribution election are distributed pursuant to Section B1-6.1 or B1-6.2.

B1-6.3.1 Form and Commencement. An in-service distribution shall be paid in a single lump-sum cash payment during the first quarter of the calendar year in which the Designated Distribution Date occurs, based on the value of the Participant's vested sub-account which is to be distributed in that year, as of the Valuation Date immediately preceding the date of such distribution. The amount of an in-service distribution shall be reduced by applicable withholding for federal and state taxes.

B1-6.3.2 Revoking In-Service Distribution Election. A Participant may revoke an election for an in-service distribution by filing a written revocation with the Committee at least one (1) year prior to the Designated Distribution Date. Upon such revocation, the provisions of Section B1-6.1 shall apply, unless the Participant makes a valid installment election payment pursuant to Section B1-6.2.

B1-6.3.3 Effect of Termination or Death. If a Participant should die or otherwise separate from service with the Company and its Affiliates before his Designated Distribution Date(s), any and all outstanding in-service distribution elections shall be automatically revoked, and any portion of his Account subject to an in-service distribution election pursuant to this Section B1-6.3 shall be paid in accordance with Section B1-6.1 or B1-6.2.

B1-6.4 Death. In the event of a Participant's death, the Committee shall authorize payment to the Participant's Beneficiary of any vested benefits due hereunder but not paid to the Participant prior to his death. Payment shall be made at the same time as if the Participant had retired on the date of his death and shall be made in accordance with Section B1-6.1, or if the Participant has a valid installment election in effect at his death, then in accordance with Section B1-6.2. The Beneficiary may request a change to the form of payment by making a written request to the Committee prior to the January 1 of the calendar year in which the benefit will be paid. The Committee has sole discretion and authority to approve or deny the Beneficiary's request, taking into account such factors as the Committee may deem appropriate.

If a Participant dies after having received one or more installment payments but before all installment payments have been made, the remaining annual installment payments shall be paid to his Beneficiary at the same time they would otherwise have been paid to the Participant. The Beneficiary may request an accelerated payment in the form of a lump-sum cash payment by making a written request to the Committee prior to the January 1 of the calendar year in which the benefit will be paid. The Committee has sole discretion and authority to approve or deny the Beneficiary's request.

B1-6.5 Disability. A Participant shall be entitled to payment of his Plan benefit in the event of his Total Disability only if the conditions of Sections B1-6.5.1 and B1-6.5.2 are met. In such situation, payment of the Participant's benefit shall commence pursuant to Section B1-6.1 or B1-6.2 as if the Participant separated from service on the date all such conditions are met. A Participant shall be considered to have a Total Disability only if:

B1-6.5.1 The Participant has incurred a "Total Disability" as such term is defined in SunTrust Banks, Inc. Long-Term Disability Plan (or any successor plan), which entitles the Participant to disability payments under such plan; and

B1-6.5.2 The Committee determines, in its sole discretion, based upon medical evidence furnished by the Participant, that the disability is anticipated to be a permanent disability.

B1-6.6 Extreme Financial Hardship. A Participant may request a distribution of all or part of his vested Plan benefit prior to the date specified in Sections B1-6.1, B1-6.2, B1-6.3, and B1-6.5 due to an extreme financial hardship, by submitting a written request to the Committee with evidence satisfactory to the Committee to demonstrate the circumstances constituting the extreme financial hardship. The Committee, in its sole discretion, shall determine whether an extreme financial hardship exists. An extreme financial hardship means an immediate, catastrophic financial need of the Participant occasioned by (i) a tragic event, such as the death, total disability, serious injury or illness of a Participant or the Participant's spouse, child or dependent; or (ii) an extreme financial reversal or other impending catastrophic event which has resulted in, or will result in, harm to the Participant or the Participant's spouse, child or dependent. A distribution for extreme financial hardship may not exceed the amount required to meet the hardship and may be made only if the Committee finds the extreme financial hardship may not be alleviated from other resources reasonably available to the Participant, including without limitation, liquidation of investment assets or luxury assets, or loans from financial

institutions or other sources. The Committee shall have the authority to require the Participant to provide such evidence as the Committee deems necessary to determine whether distribution is warranted pursuant to this Section B1-6.6. The Committee shall use uniform and nondiscriminatory standards in reviewing any requests for distributions to meet an extreme financial hardship.

B1-6.6.1 Form and Commencement. A hardship distribution to a Participant pursuant to this Section B1-6.6 shall be made in a single lump-sum cash payment (less withholding for applicable federal and state taxes) as soon as practicable after the Committee approves the hardship request. Amounts distributed for hardship shall be deemed to reduce pro rata the deemed investment in each Investment Fund in the Participant's Account.

B1-6.6.2 Accelerated Installment Payments. A Participant who has commenced receiving installment payments pursuant to Section B1-6.2 may request acceleration of such payments in the event of an extreme financial hardship. The Committee may permit accelerated payments to the extent such accelerated payment does not exceed the amount necessary to meet the extreme financial hardship.

B1-6.7 Early Withdrawal Election with 10% Reduction. A Participant may file a written election with the Committee to receive an early withdrawal of any vested portion of his Account, provided, however, that such early withdrawal payment shall be subject to a 10% forfeiture, which shall reduce the balance of the Participant's Account. An early withdrawal payment shall be made in a single lump-sum cash payment (less applicable withholding for federal and state taxes) as soon as practicable after the Committee receives and approves a written request for early withdrawal. Amounts withdrawn under this Section B1-6.7 shall be deemed to reduce pro rata the deemed investment in each Investment Fund in the Participant's Account. A Participant who receives an early withdrawal may not make an election under Section 3.2 of the Plan to defer his Award(s) for a one (1) year period beginning on the first date at which the application of such cancellation would not violate Code section 409A.

B1-6.8 Payment to Guardian, Legal Representative or Other. If a benefit hereunder is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of his property, the Committee may direct payment of such Plan benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution of the Plan benefit. A payment pursuant to this Section B1-6.8 shall completely discharge the Committee and the Company from all liability with respect to such benefit.

Article 8

Miscellaneous

B1-8.7 Right to Amend or Terminate Plan. The amendment or termination of the Plan with respect to the Grandfathered Amounts shall be made in accordance with the Plan terms as in

effect on October 3, 2004 and as summarized in this Section B1-8.7. The Company expects to continue this Plan indefinitely, but reserves the right to amend or discontinue the Plan should it deem such an amendment or discontinuance necessary or desirable. Any individual or entity who is authorized to amend or terminate the Truist Financial Corporation Non-Qualified Defined Contribution Plan under Article XIII thereof shall similarly be authorized on behalf of the Company to amend or discontinue this Plan. However, if the Company should amend or discontinue this Plan, the Company shall be liable for payment of any Awards deferred under this Plan and earnings thereon that have accrued and are vested as of the date of such action.

PART B2

PRIOR DEFERRED COMPENSATION PLAN 2005-2009 AMOUNTS

Article 6

Vesting

B2-6.1 Generally. Except as provided in Section B2-6.2, a Participant's interest in his benefit under this Plan is one hundred percent (100%) vested and nonforfeitable at all times.

B2-6.2 Exception. If a Participant's Account has been credited with an amount that is subject to a vesting period (as defined in the Eligible Plan), and the Participant terminates employment with the Company and its Affiliates for any reason prior to meeting the vesting requirements for such amount, then that portion of the amount that is not vested, and the earnings on such nonvested portion shall be forfeited and deducted from the Participant's Account. Notwithstanding the foregoing: (1) an Eligible Plan may provide that the nonvested portion of a Participant's Account shall not be forfeited if the Participant is terminated without Cause within three (3) years following a Change in Control, and, in such case, the provisions of Section B2-6.3 of this Plan shall control unless the Eligible Plan provides otherwise; and (2) upon a Participant's death, Disability, Retirement or involuntary termination of employment resulting in the Participant's eligibility to receive benefits under SunTrust Banks, Inc. Severance Pay Plan, or any successor plan, the Participant's nonvested Account balance shall fully vest as of the date that forfeiture would otherwise occur. The second clause of the preceding sentence shall apply to any Mandatory Deferral credited under the Plan after June 30, 2007, unless the Eligible Plan in connection with such Mandatory Deferral specifically provides one or all of the events described in the second clause shall not result in full vesting.

B2-6.3 Change in Control. Unless an Eligible Plan provides for some other treatment, if a Participant's employment with the Company or any Affiliate or their successors is terminated without Cause within three (3) years of a Change in Control, any portion of the Participant's Account that was nonvested at the Change in Control and has not yet vested shall become fully vested immediately prior to the effective time of the Participant's termination of employment. A Participant's voluntary termination of employment, including a Participant's Retirement or voluntary resignation, is not considered termination for Cause for purposes of vesting under this Section B2-6.3.

Article 7

Distributions

B2-7.1 Normal Form of Payment and Commencement. Except as otherwise provided in this Article 7, when a Participant Separates from Service for any reason, he shall be paid his vested benefit under this Plan in a single lump sum cash payment during the first quarter of the calendar year immediately following the year in which his Separation from Service occurs. The amount payable to the Participant shall be equal to the vested balance of the Participant's Account as of the Valuation Date immediately preceding the date of distribution.

B2-7.2 Alternate Form of Payment Election. A Participant who does not wish to have his benefit under this Plan paid in a lump sum pursuant to Section B2-7.1 may elect on a Deferral Election Form to have the portion of his Account related to amounts deferred pursuant to the Deferral Election Form (and earnings thereon) distributed in five (5) annual installments, with the first payment commencing in the first quarter of the calendar year immediately following the year in which the Participant's Separation from Service occurs. Each subsequent annual installment shall be paid during the first quarter of each of the subsequent four (4) calendar years.

B2-7.2.1 Procedure for Installment Election. A Participant's election to receive installment payments of the portion of his Account described above in Section B2-7.2 shall be made on such forms, written or electronic, as may be provided by the Committee and shall not be effective until received and approved by the Committee by the relevant Election Date in accordance with Section 3.2. Each installment payment shall be determined based on the vested balance of such portion of the Participant's Account as of the Valuation Date immediately preceding the date of payment.

B2-7.2.2 Cash-Out. Notwithstanding any elections by a Participant, effective on and after January 1, 2009, if the sum of a Participant's vested Account balance under this Plan and any other account balance plan, as described in Treas. Reg. § 1.409A-1(c)(2)(i), is less than the applicable dollar amount under Code section 402(g)(1)(B) at the time of payment, the full vested Account balance shall be distributed in a lump sum payment during the first quarter of the calendar year immediately following the year in which his Separation from Service occurs, subject to the delay for Key Employee as set forth in Section B2-7.3.

B2-7.3 Key Employee Delay. Notwithstanding anything herein to the contrary, distributions may not be made to a Key Employee upon a Separation from Service before the date which is six (6) months after the date of the Key Employee's Separation from Service (or, if earlier, the date of death of the Key Employee). Any payments that would otherwise be made during this period of delay shall be accumulated and paid in the seventh month following the Participant's Separation from Service.

B2-7.4 In-Service Distribution Election. Unless the Committee announces otherwise for a Plan Year, a Participant may elect on a Deferral Election Form to have the portion of his

Account related to amounts deferred under such Deferral Election Form (and earnings thereon) paid to the Participant as of a Specified Date. The deferred amount subject to this election will be paid in a lump sum on the Designated Distribution Date, based on the value of the Participant's vested sub-account which is to be distributed, as of the Valuation Date immediately preceding the date of such distribution.

B2-7.4.1 Filing with Committee. A Participant's election for an in-service distribution pursuant to this Section B2-7.4 shall be a part of his Deferral Election Form and shall be filed with the Committee on or before the Election Date for the applicable Plan Year in accordance with Section 3.2. If a Participant should Separate from Service with the Company and its Affiliates before his Designated Distribution Date(s), any portion of his Account subject to an in-service distribution election pursuant to this Section B2-7.4 shall be paid in accordance with Sections B2-7.1 and B2-7.3.

B2-7.4.2 Sub-Account. The portion of a Participant's Account to which an in-service distribution election applies pursuant to this Section B2-7.4 shall be maintained as a sub-account of the Participant's Account unless all of the amounts deferred pursuant to this Plan are subject to an in-service distribution election with the same Designated Distribution Date. Amounts deferred and not subject to an in-service distribution election shall be distributed pursuant to Section B2-7.1 or B2-7.2.

B2-7.5 Subsequent Deferral Election. A Participant may make one or more subsequent elections to change the time or form of a distribution for a deferred amount in accordance with the procedures and distribution rules established by the Committee, but any change in the election shall be effective only if the following conditions are satisfied:

B2-7.5.1 The new election may not take effect until at least twelve (12) months after the date on which the new election is made;

B2-7.5.2 In the case of an election to change the time or form of a distribution under Section B2-7.1 (lump sum payment after Separation from Service), B2-7.2 (installments after Separation from Service), or B2-7.4 (in-service distribution), a distribution may not be made earlier than at least five (5) years from the date the distribution would have otherwise been made; and

B2-7.5.3 In the case of an election to change the time or form of an in-service distribution under Section B2-7.4, the election must be made at least twelve (12) months before the date the distribution is scheduled to be paid.

B2-7.6 Payment of Death Benefit. Notwithstanding any elections by the Participant or provisions of the Plan to the contrary, if a Participant dies at any time (including after his Separation from Service), the Committee shall authorize payment to the Participant's Beneficiary of any vested benefits due under the Plan but not paid to the Participant prior to his death. Payment of the Participant's vested Account balance shall be distributed to the Beneficiary in a lump sum payment in the first quarter of the calendar year immediately following the year of the

Participant's death (provided that any payment that would occur before such calendar quarter shall be paid as scheduled).

B2-7.7 Disability. Notwithstanding any elections by a Participant or provisions of the Plan to the contrary, if a Participant becomes Disabled at any time, then his vested Account balance will be distributed to the Participant in a lump sum payment in the first quarter of the calendar year immediately following the year in which the Participant becomes Disabled (provided that any payment that would occur before such calendar quarter shall be paid as scheduled).

B2-7.8 Withdrawals for Unforeseeable Emergency. A Participant may withdraw all or any portion of his vested Account balance for an Unforeseeable Emergency. The amounts distributed with respect to an Unforeseeable Emergency may not exceed the amounts necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship) or by cessation of deferrals under this Plan.

B2-7.8.1 Definition. "Unforeseeable Emergency" means, for this purpose, a severe financial hardship to a Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code section 152(a)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

B2-7.8.2 Participant Evidence. The Committee shall have the authority to require the Participant to provide such evidence as it deems necessary to determine whether distribution is warranted pursuant to this Section B2-7.8. The Committee shall use uniform and nondiscriminatory standards in reviewing any requests for distributions to meet an Unforeseeable Emergency. Amounts distributed under this Section B2-7.8 shall be deemed to reduce pro rata the deemed investment in each Investment Fund in the Participant's Account.

B2-7.8.3 Accelerated Payments. A Participant who has commenced receiving installment payments pursuant to Section B2-7.2 shall receive an accelerated payment of such installments under this Section B2-7.8.3 to the extent such accelerated payment does not exceed the amount necessary to meet the Unforeseeable Emergency.

B2-7.9 Distribution of Mandatory Deferrals. Unless otherwise elected by a Participant in accordance with Section 3.2 and the procedures and distribution rules established by the Committee, the vested portion of each Mandatory Deferral shall be paid in a lump sum upon the earlier of: (a) the Specified Date for each Mandatory Deferral set forth in the Eligible Plan; or (b) the Participant's Separation from Service. In the event the Participant's Separation from Service occurs before any such Specified Date, the lump sum payment shall be made in the first quarter

of the calendar year immediately following the year of the Participant's Separation from Service, subject to the delay in payment for Key Employees as set forth in Section B2-7.3.

B2-7.10 Special One-Time Election. Notwithstanding any prior elections or Plan provisions to the contrary, a Participant who was an employee of the Company and its Affiliates (including on a paid leave of absence) may have made an election to receive all or a specified portion of his or her Account pursuant to Section B2-7.1, B2-7.2, or B2-7.4. Any such election must have become irrevocable on or before December 31, 2008 and must have been made in accordance with the procedures and distribution rules established by the Committee and the transition rules under Code section 409A.

B2-7.11 Pre-2005 Deferrals. Notwithstanding the foregoing, Part B1 of this Addendum B governs the distribution of amounts that were earned and vested (within the meaning of Code section 409A and regulations thereunder) under the Plan prior to 2005 (and earnings thereon) and are exempt from the requirements of Code section 409A.

B2-7.12 Effect of Taxation. If a portion of the Participant's Account balance is includible in income under Code section 409A, such portion shall be distributed immediately to the Participant.

B2-7.13 Permitted Delays. Notwithstanding the foregoing, any payment to a Participant under the Plan shall be delayed upon the Committee's reasonable anticipation that the making of the payment would violate Federal securities laws or other applicable law; provided that any payment delayed pursuant to this Section B2-7.13 shall be paid in accordance with Code section 409A on the earliest date on which the Company reasonably anticipates that the making of the payment will not cause a violation of Federal securities laws or other applicable law.

Article 9

Miscellaneous

B2-9.8 Right to Amend or Terminate Plan. The Company expects to continue this Plan indefinitely, but reserves the right to amend or discontinue the Plan should it deem such an amendment or discontinuance necessary or desirable. Any individual or entity who is authorized to amend or terminate the Truist Financial Corporation Non-Qualified Defined Contribution Plan under Article XIII thereof shall similarly be authorized on behalf of the Company to amend or discontinue this Plan. However, if the Company should amend or discontinue this Plan, the Company shall be liable for payment of any amounts deferred under this Plan and earnings thereon that have accrued and are vested as of the date of such action.

B2-9.8.1 Distribution of Accounts. If the Company terminates the Plan, distribution of balances in Accounts shall be made to Participants and Beneficiaries in the manner and at the time as provided in Article 7, unless the Company determines in its sole discretion that all such amounts shall be distributed upon termination in accordance with the requirements under Code section 409A.

B2-9.8.2 409A Requirements. Notwithstanding the foregoing, no amendment of the Plan shall apply to amounts that were earned and vested (within the meaning of Code section 409A and regulations thereunder) under the Plan prior to 2005, unless the amendment specifically provides that it applies to such amounts. The purpose of this restriction is to prevent a Plan amendment from resulting in an inadvertent "material modification" to amounts that are "grandfathered" and exempt from the requirements of Code section 409A.

Exhibit 10.63

Master Trust Agreement (Nonqualified Plans)

This Trust Agreement, dated as of the 15th day of July, 2020 ("Effective Date"), is between **Truist Financial Corp.**, a North Carolina corporation, having an office at 214 N. Tryon St. Charlotte, NC 28202 ("Sponsor"), and **Fidelity Management Trust Company**, a Massachusetts trust company, having an office at 245 Summer Street, Boston, Massachusetts 02210 ("Trustee"). This Trust Agreement is an extension of the DC SOW and the Recordkeeping Agreement (as defined below) between Fidelity Workplace Services and Truist Financial Corporation regarding the Nonqualified Plans included below.

Article 1. Overview; Roles

Sponsor is the sponsor of the Truist Financial Corporation Non-Qualified Defined Contribution Plan and the Truist Financial Corporation Non-Employee Directors' Deferred Compensation Plan (collectively and individually, the "Plans"). The term "Sponsor" shall also refer to any successor to all or substantially all of Sponsor's businesses which, by agreement, operation of law or otherwise, assumes the responsibility of Sponsor hereunder.

By entering into this trust agreement, which includes any Schedules, Exhibits and Attachments hereto, as the same may be amended and in effect from time to time (the "Trust Agreement"), Sponsor wishes to establish an irrevocable trust (the "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Sponsor's creditors in the event of Sponsor's Insolvency, until paid to Participants and their Beneficiaries in such manner and at such times as specified in the Plans. **"Insolvency" or "Insolvent"** with respect to a party shall mean that the party (i) is unable to pay its debts as they become due, or (ii) is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

Sponsor intends to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plans.

Trustee is willing to (i) hold and invest the aforesaid assets in trust among several investment options selected by Sponsor, and (ii) perform the services described herein on the terms and conditions hereof. Trustee shall maintain a separate account reflecting the equitable share of each Plan in the Trust, and such equitable share shall be used solely for the payment of benefits, expenses and other charges properly allocable to each such Plan and shall not be used for the payment of benefits, expenses or other charges properly allocable to any other Plan.

The parties intend that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plans as unfunded plans maintained for the purpose of providing deferred compensation for non- employee directors or for a select group of management or highly compensated employees for purposes of Title I of ERISA.

Sponsor also wishes to have an affiliate of Trustee perform certain ministerial recordkeeping and related functions with respect to the Plans pursuant to a separate Master Services Agreement (the "Recordkeeping Agreement").

Each capitalized term in this Trust Agreement has the meaning ascribed to such term under the Recordkeeping Agreement unless specifically defined otherwise herein or in the event the context clearly indicates otherwise.

Article 2. Trust

2.1 Establishment. The Trust shall consist of (i) an initial contribution of money or other property acceptable to Trustee in its sole discretion made by Sponsor or transferred from a previous trustee, (ii) such additional sums of money or other property acceptable to the Trustee in its sole discretion, as shall from time to time be delivered to Trustee, (iii) all investments made therewith and proceeds thereof, and (iv) all earnings and profits thereon, less payments made by Trustee as provided herein, without distinction between principal and income. Trustee accepts the Trust and shall be accountable for the assets received by it, subject to the terms and conditions of this Trust Agreement. The term "Trustee" shall also refer to any successor to all or substantially all of the Trustee's trust business as described in Section 9.4 hereof and any successor trustee appointed pursuant to the provisions of Section 9.4 hereof to the extent such successor agrees to serve as Trustee under this Trust Agreement.

Notwithstanding any other provision of this Trust Agreement to the contrary, upon a Change of Control (as defined below), Sponsor shall, as soon as possible, but in no event later than 15 days following the Change of Control, deliver to Trustee Qualified Assets (as defined below) in an amount sufficient to cause the total value of Trust assets to equal the Plan Benefits (as defined below) of all Participants under the Plans as of the date of the Change of Control. Thereafter, and notwithstanding any other provision of this Trust Agreement to the contrary, Sponsor shall deliver to Trustee Qualified Assets in an amount sufficient to cause the total value of Trust assets to at all times equal the Plan Benefits of all Participants under the Plans. Contributions shall be made to the Trust only to the extent that such contributions are not otherwise prohibited under Section 409A(b) of the Code. The amounts of Plan Benefits shall be communicated by Sponsor to Trustee.

For purposes of this Trust Agreement, the following terms shall have the meanings set forth below:

A. "Change of Control" means the earliest of the following dates:

1. the date any person or group of persons (as defined in Section 13(d) and 14(d) of the Securities Exchange Act of 1934) together with its or their affiliates, excluding employee benefit plans of Sponsor, is or becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934) of securities of Sponsor representing twenty percent (20%) or more of the combined voting power of Sponsor's then outstanding securities (excluding the acquisition of securities of Sponsor by an entity at least eighty percent (80%) of the outstanding voting securities of which are, directly or indirectly, beneficially owned by Sponsor); or

2. the date, when as a result of a tender offer or exchange offer for the purchase of securities of Sponsor (other than such an offer by Sponsor for its own securities),

or as a result of a proxy contest, merger, share exchange, consolidation or sale of assets, or as a result of any combination of the foregoing, individuals who at the beginning of any two-year period during the duration of this Trust Agreement constitute Sponsor's board of directors, plus new directors whose election or nomination for election by Sponsor'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 two-year period, cease for any reason during such two-year period to constitute at least two- thirds (2/3) of the members of such board of directors; or

3. the date the shareholders of Sponsor approve a merger, share exchange or consolidation of Sponsor with any other corporation or entity regardless of which entity is the survivor, other than a merger, share exchange or consolidation which would result in the voting securities of Sponsor outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving or acquiring entity) at least sixty percent (60%) of the combined voting power of the voting securities of Sponsor or such surviving or acquiring entity outstanding immediately after such merger or consolidation; or

4. the date the shareholders of Sponsor approve a plan of complete liquidation or winding-up of Sponsor or an agreement for the sale or disposition by Sponsor of all or substantially all of Sponsor's assets; or

5. the date of any event which Sponsor's board of directors determines should constitute a Change of Control.

B. "Plan Benefits" means, with respect to each Participant, the present value of the sum of the benefits payable under the respective Plans with respect to the Participant, which benefits shall be estimated under the terms of the respective Plan if not then determinable.

C. "Qualified Assets" means: (i) common or preferred stocks with a recognized market; (ii) Sponsor stock; (iii) bonds, notes or other securities with a recognized market (including commercial paper and other short-term obligations); (iv) mutual fund shares; (v) cash, or cash equivalent deposits or accounts; and (vi) such other assets Trustee, in its sole discretion agrees to accept.

2.2 Trust Assets. The principal of the Trust and any earnings thereon shall be held separate and apart from other funds of Sponsor and shall be used exclusively for the uses and purposes of Participants, Beneficiaries and general creditors as herein set forth. Participants and their Beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plans and this Trust Agreement shall be mere unsecured contractual rights of Participants and their Beneficiaries against Sponsor. Any assets held by the Trust will be subject to the claims of Sponsor's general creditors under federal and state law in the event of Insolvency. For federal tax purposes, Sponsor is the owner of the Trust assets. The Trust is intended to be a grantor trust, of which Sponsor is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be construed accordingly.

Article 3. Non-Assignment; Payments to Sponsor

Benefit payments to Participants and their Beneficiaries under this Trust may not be anticipated, assigned (at law or in equity), alienated, pledged, encumbered, or subjected to attachment, garnishment, levy, execution, or other legal or equitable process. Notwithstanding anything in this Trust Agreement to the contrary, Sponsor can direct Trustee to disburse monies pursuant to a DRO in accordance with the provisions hereof. Except as provided under this Trust Agreement, Sponsor shall have no right to retain or divert to others any Trust assets before all payment of benefits have been made to Participants and Beneficiaries pursuant to the terms of the Plans. Sponsor may direct Trustee in writing to pay over to Sponsor or to direct Trustee to pay expenses of the Plans' administration with any amount in excess of the amount needed to pay all of the benefits accrued under the Plans as of the date of such payment.

Article 4. Investment of Trust

Trustee shall be responsible for providing services under this Trust Agreement solely with respect to those investment options set forth in Attachment 2 to DC Services SOW – "Investment Options", which have been designated by Sponsor in its sole discretion. Although Sponsor retains sole discretion as to the notional investment options available to Participants under the Plans, Trustee shall not, absent its written consent, be required to provide services with respect to other investment options that Sponsor seeks to add to the Trust. All obligations of Trustee hereunder (including all services to be performed by Trustee) shall be performed solely with respect to the investment options set forth herein, and no other investments that may be held under a separate trust or insurance product with respect to the Plans shall be considered by Trustee in its performance of such obligations. Sponsor shall direct Trustee as to how to invest the Trust assets. In order to provide for the accumulation of assets comparable to the contractual liabilities accruing under the Plans, Sponsor may direct Trustee in writing to invest the assets held in the Trust to correspond to the Participants' notional investment directions under the Plans, subject to the limitations provided in this Section 4.

Article 5. Sponsor Direction; Trustee Powers

Trustee shall follow the terms of this Trust Agreement except as otherwise required by law. Sponsor hereby directs Trustee to exercise the following powers and authority in Trustee's role as directed trustee as necessary to carry out its responsibilities under this Trust Agreement:

1. Subject to the ongoing direction of Sponsor (as described herein), sell, exchange, convey, transfer, or otherwise dispose of any property held in the Trust, by private contract or at public auction. No person dealing with Trustee shall be bound to see to the application of the purchase money or other property delivered to Trustee or to inquire into the validity, expediency, or propriety of any such sale or other disposition.

2. Cause securities or other property held as part of the Trust to be (i) registered in Trustee's own name, in the name of one or more of its nominees, or in Trustee's account with the Depository Trust Company of New York, or (ii) held in bearer form, but the books and records of Trustee shall at all times show that all such investments are part of the Trust.

3. Keep that portion of the Trust in cash or cash balances as the Sponsor may, from time to time, deem to be in the best interest of the Trust.

4. Make, execute, acknowledge, and deliver any and all documents of transfer or conveyance in order to carry out the powers herein granted.

5. Borrow funds from a bank not affiliated with Trustee in order to provide sufficient liquidity to process Plan transactions in a timely fashion where Sponsor directs that investments requiring such liquidity be held in the Trust; provided that the cost of such borrowing shall be allocated in a reasonable fashion to the investment fund(s) in need of liquidity. Sponsor acknowledges that it has received the disclosure on Trustee's line of credit program and credit allocation policy prior to executing this Trust Agreement if applicable.

6, In accordance with this paragraph, (i) settle, compromise, or submit to arbitration any claims, debts, or damages due to or arising from the Trust, (ii) commence or defend suits or legal or administrative proceedings, (iii) represent the Trust in all suits and legal and administrative hearings, and (iv) pay all reasonable expenses arising from any such action from the Trust if not paid by Sponsor. Trustee shall take action on behalf of the Trust with respect to any claim or dispute relating to the Trust only upon the written direction of the Sponsor. In the absence of such a direction, Trustee shall have (i) no authority to take action with respect to such claim or dispute even as to ministerial, nondiscretionary acts (for example, without limitation, the execution and delivery on behalf of the Trust of forms, pleadings, agreements, or other documents in connection with (A) the commencement, prosecution, or defense of a claim or dispute in litigation, arbitration, or other proceedings, (B) the settlement or compromise of a claim or dispute, or (C) the joining or opting out from a class action), (ii) no duty to request that Sponsor provide a direction or to question any direction of Sponsor in connection with any such claim or dispute, and (iii) no duty to act upon, consider, or respond to demands by Participants or Beneficiaries or anyone other than the Sponsor in connection with any claim or dispute.

7. Employ legal, accounting, clerical, and other assistance as may be required in carrying out the provisions of this Trust Agreement and pay their reasonable expenses and compensation from the Trust if not paid by Sponsor.

8. Do all other acts, although not specifically mentioned herein, as Trustee may deem necessary to carry out any of the foregoing directions or responsibilities under this Trust Agreement seeking further direction or instruction from Sponsor where, and to the extent, Trustee is required as a directed trustee to do so.

Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of Section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Code.

Article 6. Services to Be Performed

6.1 Accounts. Trustee shall keep accurate accounts of all investments, receipts, disbursements, and other transactions hereunder, and shall report the value of the assets held in the Trust as of each Reporting Date. Within 30 days following each Reporting Date or within 60 days in the case of a Reporting Date caused by the resignation or removal of Trustee, Trustee shall file with the Sponsor a written account setting forth (i) all investments, receipts, disbursements, and other transactions effected by Trustee between the Reporting Date and the prior Reporting Date, and (ii) the value of the Trust as of the Reporting Date. Except as otherwise required under applicable law, upon the expiration of 12 months from the date of filing such account, Trustee shall have no liability or further accountability with respect to the propriety of its acts or transactions shown in such account, except with respect to such acts or transactions as to which a written objection shall have been filed with Trustee within such 12-month period. **"Reporting Date"** shall mean the last day of each fiscal quarter of a Plan and, if not on the last day of a fiscal quarter, the date as of which the trustee or custodian, as applicable, resigns or is removed pursuant to the terms of the Trust Agreement or the Group Custodial Account Agreement, as applicable.

6.2 Nature of Services. All services are of a directed nature to be performed within the framework of Sponsor's written directions, and Trustee will have no discretionary authority or responsibility for (i) any Plan's management or administration, or (ii) investment of the Trust's assets. Accordingly, Trustee shall only disburse monies to Participants and Beneficiaries for benefit payments in the amounts that the Sponsor directs from time to time in writing. Trustee does not provide, and Sponsor shall not construe any services as, tax or legal advice or opinions. Sponsor must obtain its own legal and tax counsel for advice regarding this Trust and Plan design appropriate for its specific situation, including with respect to legal and tax issues pertaining to the administration of its Plans. Services will be provided by Trustee, its agents, subcontractors, or affiliates; provided that Trustee shall be responsible for the performance of such services under this Agreement by its agents, subcontractors or affiliates to the same extent as if such Services had been performed by Trustee. Where specifically noted herein, certain services may be provided pursuant to one or more other contractual agreements or relationships.

6.3 Allocation of Interests. All transfers to, disbursements from or other transactions regarding the Trust shall be conducted in such a way that each Plan's proportionate interest in the Trust and the fair market value of that interest may be determined at any time.

Article 7. Expenses

All expenses of Trustee relating directly to the acquisition and disposition of investments constituting part of the Trust, and all taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Trust or the income thereof, shall be a charge against and paid from the Trust assets.

Article 8. Indemnification

Sponsor shall indemnify Trustee against, and hold Trustee harmless from, any third-party claims or regulatory proceedings asserted or commenced against Trustee to the extent such claim or proceeding is the result of any act done, or an act failed to be done, by any individual or person

with respect to the Plans or Trust, excepting only those Losses asserted as part of such claim or proceeding that result from Trustee's negligence, bad faith or willful misconduct under, or breach of the terms of, this Trust Agreement. Trustee shall indemnify Sponsor against, and hold Sponsor harmless from, any third-party claims or regulatory proceedings asserted or commenced against Sponsor, either Plan, or the Trust to the extent Losses asserted as part of any such claim or proceeding result from Trustee's negligence, bad faith or willful misconduct under, or breach of the terms of, this Trust Agreement. Any reference to Sponsor or Trustee as an indemnified Party shall be deemed to include their respective , successors, parent companies and any subsidiaries or affiliates and their respective directors, officers, employees (when acting on behalf of the Sponsor), contracted employees representatives, plan administrators and agents.

Article 9. Resignation or Removal of Trustee; Termination

9.1 Duration. This Trust shall continue in effect without limit as to time, subject, however, to the provisions hereof relating to amendment, modification, and termination of this Trust Agreement.

9.2 Resignation and Removal. Trustee may resign by terminating this Trust Agreement upon at least 180 days' prior written notice to Sponsor; provided, however, that Sponsor may agree, in writing, to a shorter notice period. Sponsor may remove Trustee by terminating this Trust Agreement upon at least 90 days' prior written notice to Trustee; provided, however, that Trustee may agree, in writing, to a shorter notice period.

9.3 Failure to Appoint Successor. If, by the termination date, Sponsor does not notify Trustee in writing as to the individual or entity to which the assets and cash are to be transferred and delivered, Trustee may bring an appropriate action or proceeding for leave to deposit the assets and cash in a court of competent jurisdiction. Sponsor shall reimburse Trustee for all costs and expenses of the action or proceeding including, without limitation, reasonable attorneys' fees and disbursements.

9.4 Successor Trustee. If the office of trustee becomes vacant for any reason, Sponsor may in writing appoint a successor trustee under this Trust Agreement. The successor trustee shall have all of the rights, powers, privileges, obligations, duties, liabilities, and immunities granted to Trustee under this Trust Agreement. The successor trustee and predecessor trustee shall not be liable for the acts or omissions of the other with respect to the Trust. Notwithstanding the preceding sentence, the provisions of Article 8 of this Trust Agreement shall survive the transition to the successor trustee with respect to events occurring prior to the transition. As of the date the successor trustee accepts its appointment under this Trust Agreement, title to and possession of the Trust assets shall immediately vest in the successor trustee without any further action on the part of the predecessor trustee, except as may be required to evidence such transition. The predecessor trustee shall execute all instruments and do all acts that may be reasonably necessary and requested in writing by Sponsor or the successor trustee to vest title to all Trust assets in the successor trustee or to deliver all Trust assets to the successor trustee. Any successor to Trustee or successor trustee, either through sale or transfer of the business or trust department of Trustee or successor trustee, or through reorganization, consolidation, or merger, or any similar transaction of either Trustee or successor trustee, shall, upon consummation of the transaction, become the successor trustee under this Trust Agreement.

Article 10. Insolvency of Sponsor

Trustee shall cease disbursing funds for benefit payments to Participants and Beneficiaries if it becomes aware that Sponsor is Insolvent. At all times during the continuance of this Trust, the principal and income of the Trust shall be subject to claims of general creditors of Sponsor under federal and state law as set forth below. The board of directors and the chief executive officer of Sponsor shall have the duty to inform Trustee in writing of Sponsor's Insolvency. If a person claiming to be a creditor of Sponsor alleges in writing to Trustee that Sponsor has become Insolvent, Trustee shall determine whether Sponsor is Insolvent and, pending such determination, Trustee shall discontinue disbursements for payment of benefits to Participants and Beneficiaries. Unless Trustee has actual knowledge of Sponsor's Insolvency, or has received notice from Sponsor or a person claiming to be a creditor alleging that Sponsor is Insolvent, Trustee shall have no duty to inquire whether Sponsor is Insolvent. Trustee may in all events rely on such evidence concerning Sponsor's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Sponsor's solvency.

If at any time Trustee has determined that Sponsor is Insolvent, Trustee shall discontinue disbursements for payments to Participants and Beneficiaries and shall hold the assets of the Trust for the benefit of Sponsor's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Participants and Beneficiaries to pursue their rights as general creditors of Sponsor with respect to benefits due under the Plans or otherwise. Trustee shall resume disbursing benefit payments to Participants and Beneficiaries in accordance with this Trust Agreement only after Trustee has determined that Sponsor is not Insolvent (or is no longer Insolvent).

Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to the above and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Participants and Beneficiaries under the terms of the Plans for the period of such discontinuance, less the aggregate amount of any payments made to Participants and Beneficiaries by Sponsor in lieu of the payments provided for hereunder during any such period of discontinuance.

Article 11. Inclusion of Additional Terms

Both Trustee and Sponsor agree to the Sections or Articles of the Recordkeeping Agreement pertinent to the Plans that are (i) under the headings of “Service and Fees”, “Taxes”, “Confidential Information”, “Termination Assistance”, “Audit Rights and Regulatory Examinations”, “Ownership of Materials”, “Compliance with Laws”, “Plan Benefits Litigation”, “Limitation of Liability”, “Truist Responsibilities”, “Disputes”, “Change Control Procedures” “Electronic Nature of Services”, “Supplier Not Insurer, Guarantor”, “Duty to Mitigate Damages”, “No Oral or Electronic Mail Modification”, “Notices”, “Supplier Warranties”, “Mutual Warranties”, “Unenforceability”, “Publicity”, “Entire Agreement”, “Certain Rules of Interpretation”, “Order of Precedence”, “Survival”, “Counterparts”, “Force Majeure”, “Assignment”, and “Disabling Codes” in the body of the Recordkeeping Agreement, or (ii) included in the DC Services Statement of Work (Section 6, DC Terms and Conditions) to the

Recordkeeping Agreement, as though such provisions were contained in this Trust Agreement, *mutatis mutandis* (including, without limitation, revising where appropriate references to "Fidelity" to refer to "Trustee", references to "Client" to refer to "Sponsor", and references to the Recordkeeping Agreement to refer to this Trust Agreement) except to the extent this Trust Agreement clearly provides otherwise. For purposes of clarity, where a particular provision (i) assigns to Fidelity a general obligation (such as the duty to protect Client's Confidential Information), or (ii) limits or disclaims responsibility on the part of Fidelity, such duty, limitation or disclaimer shall be similarly applied to Trustee whereas the inclusion of any provision describing Fidelity's responsibility for performing a particular service under the Recordkeeping Agreement should not be read as imposing a duplicative requirement that Trustee provide, or be responsible for, that same service. Similarly, duties and responsibilities assigned or reserved to Client under such sections shall be deemed to apply to Sponsor hereunder.

Article 12. Situs of Trust Assets

No assets of the Trust shall be located or transferred outside of the United States.

Article 13. Governing Law/Document

This Trust Agreement is being made in the Commonwealth of Massachusetts, and the Trust shall be administered as a Massachusetts trust. The validity, construction, and effect of this Trust Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts (without regard to its conflicts-of-laws or choice-of-law provisions). Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof. Trustee is not a party to either Plan.

Article 14. Electronic Signatures

In the event the Parties have agreed to utilize an electronic signature process, each Party represents that its electronic signature below is intended to authenticate this writing and to have the same force and effect as a manual signature.

By signing below, the parties agree to the terms of this Trust Agreement and the undersigned represent that they are authorized to execute this Trust Agreement on behalf of the respective parties.

Truist Financial Corp.
By: /s/ Michal Sroka
Name: Michal Sroka
Title:
Date: 7/23/2020

Fidelity Managment Trust Company
By: /s/ Jennifer Bennett
Name: Jennifer Bennet
Title: Senior Vice President
Date: 7/15/2020 12:00 PM EDT

Exhibit 10.64

TRUIST FINANCIAL CORPORATION 401(k) SAVINGS PLAN

(August 1, 2020 Restatement)

EXHIBIT C Merger of Acquired Company Plans into this Plan
EXHIBIT D Provisions Related to SunTrust Banks, Inc. 401(k) Plan Participants

TRUIST FINANCIAL CORPORATION 401(k) SAVINGS PLAN
(August 1, 2020 Restatement)

INTRODUCTION

Effective as of July 1, 1982, Branch Banking & Trust Company ("BB&T") established a savings and thrift plan (the "prior plan") for the benefit of its employees and the employees of its participating affiliates. The prior plan was entitled the "Savings and Thrift Plan for the Employees of Branch Banking & Trust Company." On February 28, 1995, BB&T Corporation (at that time, the "Company") (formerly, the Southern National Corporation) and BB&T Financial Corporation, the former parent corporation of BB&T, were merged. As a result of the corporate merger, the Company became the parent corporation of BB&T and the sponsor of the prior plan. Effective as of January 1, 1996, the name of the prior plan was changed to the "Southern National Corporation 401(k) Savings Plan." As a result of the change in the Company's corporate name to BB&T Corporation, the name of the prior plan was ultimately changed to the "BB&T Corporation 401(k) Savings Plan." The prior plan was amended and restated effective as of January 1, 2000, January 1, 2007, and January 1, 2013. Effective as of the close of business on December 31, 2014, the assets and liabilities of the BB&T Corporation 401(k) Retirement Plan for Certain Acquired Companies were merged into this Plan.

Effective as of the Closing Date, as defined in the Agreement and Plan of Merger by and between SunTrust Banks, Inc. and BB&T Corporation dated February 7, 2019 (the "Closing Date"), SunTrust Banks, Inc. merged with and into the Company, and the Company became the Truist Financial Corporation. In connection with such merger, the Plan has been renamed as the Truist Financial Corporation 401(k) Savings Plan. Effective as of the close of business on July 31, 2020, the assets and liabilities of the SunTrust Banks, Inc. 401(k) Plan were merged into this Plan. Effective August 1, 2020, the component of the Company that consists of the operations and employees of the former SunTrust Bank, Inc. shall be regarded as a qualified separate line of business as defined in Section 414(r) of the Code, and the ongoing participation of SunTrust Banks, Inc. 401(k) Plan participants who were active as of July 31, 2020 shall be

governed by Exhibit D of this Plan until the end of the day on December 31, 2020 (as noted in Exhibit D of this Plan).

TRUIST FINANCIAL CORPORATION
401(k) SAVINGS PLAN

Section 1. Definitions. As used in the plan, including this Section 1, and in the trust agreement which is a part of the plan, references to one gender shall include the other and, unless otherwise indicated by the context.

1.1 "Account" means the aggregate of the separate accounts maintained by the Committee with respect to each participant. The separate accounts so maintained shall include one or more of the following:

1.1.1 "Employer basic matching contribution account" means the subaccount of the participant that is credited with basic matching contributions made on behalf of the participant to the plan pursuant to Section 2.2.1(a).

1.1.2 "Employer profit sharing contribution account" means the subaccount of the participant that is credited with supplemental or profit sharing contributions made on behalf of the participant to the plan or the predecessor plan.

1.1.3 "Employer supplemental matching contribution account" means the subaccount of the participant that is credited with supplemental matching contributions made on behalf of the participant to the plan pursuant to Section 2.2.1(b) and matching contributions made to the predecessor plan prior to January 1, 2000.

1.1.4 "ESOP account" means the subaccount of the participant that is credited with ESOP contributions made on behalf of the participant to the predecessor plan. If a participant was a participant in more than one ESOP previously established under the predecessor plan, a separate ESOP account shall be maintained for the participant under each such ESOP.

1.1.5 "Loan account" means the subaccount of the participant that is credited with payments of principal and interest as provided in Section 6.2.

1.1.6 "PAYSOP account" means the subaccount of the participant that is credited with employer contributions made on behalf of the participant to the Southern National Employee Stock Ownership Plan prior to its merger into the predecessor plan on May 13, 1996 or to the United Carolina Bancshares Corporation Dollar Plus Savings Plan prior to its merger into the predecessor plan on December 12, 1997.

1.1.7 "Prior plan account" means the subaccount of the participant that is credited with contributions made on behalf of the participant to the Thrift Plan for the Employees of Branch Banking & Trust Company and the Profit Sharing Plan for the Employees of Branch Banking & Trust Company prior to their merger into the predecessor plan on January 1, 1986.

1.1.8 "QNEC account" means the subaccount of the participant that is credited with qualified nonelective contributions made on behalf of the participant to the plan or the predecessor plan.

1.1.9 "Rollover account" means the subaccount of the participant that is credited with rollover contributions made by the participant to the plan or the predecessor plan.

1.1.10 "Roth account" means the subaccount of the participant to which designated Roth contributions (as defined in Section 402A of the Code) are credited in accordance with provisions of Section 23.1.

1.1.11 "Roth conversion account" means the subaccount of a participant to which all or a portion of certain of the participant's other subaccounts are transferred and credited in accordance with the provisions of Section 24.1 and Section 402(A)(c)(4) of the Code.

1.1.12 "Roth rollover account" means the subaccount of a participant to which Roth rollover contributions are credited in accordance with the provisions of Section 24.12.

1.1.13 "Salary reduction contribution (before-tax) account" means the subaccount of the participant that is credited with salary reduction contributions made by the participant to the plan or the predecessor plan (as defined in Section 1.36).

1.1.14 "Voluntary contribution (after-tax) account" means the subaccount of the participant that is credited with after-tax contributions made by the participant to the predecessor plan.

1.2 "Accrued benefit" means with respect to each participant the balance in his account as of the applicable adjustment date following adjustment thereof as provided in Section 6.

1.3 "Actual deferral percentage" or "ADP" with respect to a participant for a plan year means the ratio (expressed as a percentage and calculated to the nearest one-hundredth of a percentage point) of: (i) the salary reduction contributions, if any, made to the trust under the plan by a Participating Employer on behalf of the participant for the plan year other than salary reduction contributions distributed to the participant pursuant to the provisions of Section 19.2 (relating to the return of contributions in excess of the limitations of Section 415 of the Code); to (ii) his testing compensation (as defined in Section 1.45) for that portion of the

plan year during which he was a participant. Salary reduction contributions that are treated as catch-up salary reduction contributions pursuant to Section 2.1.6 of the plan and Section 414(v) of the Code shall not be taken into account for purposes of determining the ADP of a participant. Pursuant to regulations issued by the Secretary of the Treasury, the Committee may elect to take into account matching contributions made on behalf of any participant to any qualified plan maintained by the Participating Employer or an affiliated employer for purposes of determining the ADP of such participant In no event will matching contributions which are taken into account for purposes of determining the ADP of a participant, be taken into account in determining the contribution percentage of such participant. Notwithstanding the foregoing, the ADP of a nonhighly compensated participant shall be determined without regard to any excess elective deferrals made under the plan or any other plan maintained by an affiliated employer with respect to him. The ADP for a specified group of participants for a plan year shall be the average (expressed as a percentage and calculated to the nearest one-hundredth of a percentage point) of the ADPs calculated separately for each participant in such group. The ADP of a participant who is eligible to make a salary reduction contribution under the plan but does not do so, or who is not eligible to make a salary reduction contribution because allocations to his account would exceed the dollar limitation or the statutory compensation limitation in Section 19.1, shall be zero. The determination and treatment of the ADP of any participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

1.4 "Adjustment date" means each day on which the New York Stock Exchange is open for business. The last adjustment date in each plan year is sometimes referred to herein as the "year-end adjustment date."

1.5 "Affiliated employer" means: (i) any corporation that is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which includes the Company; (ii) any trade or business (whether or not incorporated) that is under common control (as defined in Section 414(c) of the Code) with the Company; (iii) any organization (whether or not incorporated) that is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Company; and (iv) any other entity required to be aggregated with the Company pursuant to Section 414(o) of the Code. The status of an entity as an affiliated employer relates only to the period of time during which the entity is so affiliated with the Company.

1.6 "Board" means the Board of Directors of the Company.

1.7 "Break in service" means a computation period in which an employee does not complete more than 500 hours of service and shall occur at the beginning of such computation period.

1.7A "Closing Date" means December 6, 2019, the date of the closing of the Agreement and Plan of Merger by and between SunTrust Banks, Inc. and BB&T Corporation dated February 7, 2019.

1.8 "Code" means the Internal Revenue Code of 1986, as amended, and rules and Treasury Regulations issued thereunder.

1.9 "Committee" means the Employee Benefits Plan Committee provided for in Section 8.

1.10 "Company" means (i) prior to the Closing Date, BB&T Corporation, a North Carolina corporation with its principal office at Winston-Salem, North Carolina, and (ii) on or after the Closing Date, Truist Financial Corporation.

1.11 "Company stock" means shares of common stock issued by the Company which are readily tradable on an established securities market. The Company stock is listed on the New York Stock Exchange under the symbol "TFC", effective on or after the Closing Date. Prior to the Closing Date, the Company stock was listed on the New York Stock Exchange under the symbol "BBT."

1.12 "Compensation" means wages within the meaning of Section 3401(a) of the Code and all other payments of compensation to an employee by the Participating Employer (in the course of the Participating Employer's trade or business) for which the Participating Employer is required to furnish the employee a written statement under Sections 6041(d), 6051(a)(3) and 6052 of the Code, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed, plus any amounts contributed by the Participating Employer pursuant to a salary reduction agreement which are not includible in the gross income of the employee under Section 125, 132(f)(4), 402(e)(3), 402(h) or 403(b) of the Code, if any, and less reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits.

For plan years beginning on or after July 1, 2007, payments made by the later of 2½ months after severance from employment or the end of the limitation year that includes the severance from employment will be compensation if they are payments that, absent a severance from employment, would have been paid to the participant while the participant continued in employment with a Participating Employer or an affiliated employer and are regular compensation for services during the participant's regular working hours, compensation for services outside the participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation. Any payments not described above are

not considered compensation if paid after severance from employment, even if they are paid within 2½ months following severance from employment, except for payments to an individual who does not currently perform services for a Participating Employer or an affiliated employer by reason of qualified military service (within the meaning of Section 414(u)(1) of the Code) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for a Participating Employer or an affiliated employer rather than entering qualified military service.

The annual compensation of each employee taken into account for any plan year beginning after December 31, 2001, shall not exceed $200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. Annual compensation means compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the plan (the "determination period"). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. For purposes of determining the permissible amount of salary deferral contributions, Roth contributions, and matching contributions, the limit described in this paragraph shall not be applied to a participant's compensation on the basis of the earliest payments of compensation during a year.

1.13 "Computation period" means a 12 consecutive month period, as follows:

1.13.1 For purposes of plan participation, the computation period initially shall be the 12 consecutive month period beginning on the date an employee first completes an hour of service. Thereafter, the computation period shall be the plan year, beginning with the plan year containing the first anniversary of the date the employee first completed an hour of service.

1.13.2 For all other purposes under the plan, the computation period shall be the plan year.

1.14 "Contribution percentage" with respect to a participant for a plan year means the ratio (expressed as a percentage and calculated to the nearest one-hundredth of a percentage point) of (i) the matching contributions made to the trust under the plan on the participant's behalf for the plan year; to (ii) his testing compensation (as defined in Section 1.45) for that portion of the plan year during which he was a participant. The contribution percentage for a specified group of participants for a plan year shall be the average (expressed as a percentage and calculated to the nearest one-hundredth of a percentage point) of the contribution percentages calculated separately for each participant in such group. Pursuant to regulations issued by the Secretary of the Treasury, the Committee may elect to take into account elective deferrals made on behalf of any participant to any qualified plan maintained by the Participating Employer or an affiliated employer for purposes of determining the contribution percentage of such participant. Notwithstanding the foregoing, salary reduction contributions distributed to a participant pursuant to the provisions of Section 19.2 (relating to the return of contributions in excess of the limitations of Section 415 of the Code), salary reduction contributions treated as catch-up salary reduction contributions pursuant to Section 2.1.6 of the plan and Section 414(v) of the Code, and matching contributions forfeited by a participant pursuant to the provisions of Section 2.2.4 of the plan (relating to the forfeiture of matching contributions attributable to excess contributions, excess deferrals and excess aggregate contributions) may not be taken into account for purposes of determining the contribution percentage of such participant. The determination and treatment of the contribution percentage of any participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

1.15 "Designated Roth account" means a participant's account under another employer's tax-qualified defined contribution plan that is a designated Roth account described in Section 402A(b)(2)(A) of the Code.

1.16 "Disability" means a condition for which a participant is entitled to disability benefits under the Truist Financial Corporation Long-Term Disability Plan or other group disability plan of an affiliated employer or acquired employer as determined by the Committee.

1.17 "Effective date" of the plan means generally January 1, 2013, except as specified otherwise herein.

1.18 "Elective deferral" or "elective deferrals" means, with respect to any taxable year of a participant, the sum of

1.18.1 Any employer contribution under a qualified cash or deferred arrangement (as defined in Section 401(k) of the Code) to the extent not includible in the participant's gross income for the taxable year under Section 402(e)(3) of the Code, including a salary reduction contribution made on behalf of the participant under Section 2.1 of the plan;

1.18.2 Any employer contribution under a simplified employee pension plan (as defined in Section 408(k) of the Code) to the extent not includible in the participant's gross income for the taxable year under Section 402(h)(1)(B) of the Code;

1.18.3 Any employer contribution made on behalf of the participant to purchase an annuity contract under Section 403(b) of the Code pursuant to a salary reduction agreement (within the meaning of Section 3121(a)(5)(D) of the Code); and

1.18.4 Any elective employer contribution made on behalf of a participant under Section 408(p)(2)(A)(i) of the Code.

No participant shall be permitted to have elective deferrals made under this plan, or any other qualified plan maintained by the Company or an affiliated employer during any taxable year, in excess of the dollar limitation contained in Section 402(g) of the Code in effect for such taxable year, except to the extent permitted under Section 2.1.6 and Section 414(v) of the Code.

1.19 "Eligible employee" means each employee of a Participating Employer except the following:

1.19.1 An employee included in a unit of employees covered by a bona fide collective bargaining agreement with a Participating Employer that does not specifically provide for coverage of the employee under the plan provided, that retirement benefits were the subject of good faith bargaining between the Participating Employer and employee representatives.

1.19.2 An employee who is a nonresident alien and receives no earned income (within the meaning of Section 911(d)(2) of the Code) from the Participating Employer constituting income from sources within the United States (within the meaning of Section 861(a)(3) of the Code).

1.19.3 An individual who is deemed to be an employee solely because he is a leased employee.

1.19.4 An individual who is an employee of an affiliated employer that has not adopted the plan and is on a temporary assignment to a Participating Employer.

1.19.5 An individual who is hired on a temporary basis for a specific project and is classified on the books and records of the Participating Employer as a temporary employee.

1.19.6 Prior to August 1, 2020, an employee who is eligible to participate in the SunTrust Banks, Inc. 401(k) Plan. On or after August 1, 2020, such employees shall participate in the Plan in accordance with the plan merger provisions provided in Exhibit D.

See Section 1.32 for provisions governing participation in the plan by an eligible employee.

1.20 "Employee" means, except as otherwise provided herein, an individual in the service of a Participating Employer if the relationship between him and the employer is the legal relationship of employer and employee. In determining who is an employee for purposes of the plan, the following provisions shall apply:

1.20.1 All leased employees shall be treated as employees.

1.20.2 An individual who is identified on the books and records of a Participating Employer as other than a common law employee shall not be treated as an employee for purposes of the plan regardless of a later agency or judicial determination to the effect that such individual is a common law employee of a Participating Employer. No such individual shall be an employee for purposes of the plan, even after the determination of the common law employer and employee relationship, unless the Participating Employer takes written action designating such individual as an employee of the Participating Employer who is no longer other than a common law employee.

See Sections 1.19 and 1.32 for provisions governing eligibility of an employee to become a participant in the plan.

1.21 "Entry date" means the first day of each calendar month.

1.22 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended (including amendments of the Code affected thereby), and rules and regulations issued thereunder.

1.23 "Excess aggregate contributions" means, with respect to any plan year, the excess of:

1.23.1 The aggregate amount of matching contributions (and any elective deferrals taken into account in computing the contribution percentage) actually made to the trust on behalf of highly compensated participants for such plan year; over

1.23.2 The maximum amount of such contributions permitted under the limitations described in Section 2.2.2.

1.24 "Excess contributions" means, with respect to any plan year, the excess of:

1.24.1 The aggregate amount of salary reduction contributions (and any matching contributions taken into account in computing the ADP) actually made to the trust on behalf of highly compensated participants for such plan year; over

1.24.2 The maximum amount of such contributions permitted under the limitations of Section 2.1.4.

1.25 "Excess elective deferral" for any taxable year of a participant means the amount of the elective deferral on behalf of a participant for any taxable year of such participant in excess of $15,000 (or such greater amount as may be permitted pursuant to the provisions of Sections 402(g)(4), (5) and (8) of the Code). Excess elective deferral also shall refer to the specific amount of elective deferrals for the taxable year of the participant which the participant allocates to this plan pursuant to the provisions of Section 2.1.1.

1.26 "Highly compensated participant" means any participant who is a highly compensated employee.

1.26.1 "Highly compensated employee" means any employee who:

(a) during the plan year or preceding plan year was at any time a 5 percent owner (as defined in Section 416(i)(1)(B) of the Code); or

(b) during the preceding plan year received statutory compensation (as defined in Section 1.44) from the Company and affiliated employers in excess of $80,000 (as adjusted pursuant to Section 414(q)(1) of the Code) and was in the top-paid group of employees for such preceding plan year.

1.26.2 For purposes of this Section 1.26, the following provisions shall apply:

(a) An employee who performs service for the Company or any affiliated employer at any time during a plan year shall be in the top-paid group of employees for such year if such employee is in the top 20 percent of the employees of the Company and its affiliated employers ranked on the basis of statutory compensation paid during such year.

(b) A former employee shall be treated as a highly compensated employee if he was a highly compensated employee when he separated from service, or was a highly compensated employee at any time after attaining age 55.

The determination of who is a highly compensated employee, including the determination of the number and identity of employees in the top-paid group, shall be made in accordance with Section 414(q) of the Code.

1.27 "Hour of service" means the following:

1.27.1 Each hour for which an employee is paid, or entitled to payment, by the Company or an affiliated employer for the performance of duties. Each such hour shall be credited to the computation period in which the duties are performed.

1.27.2 Each hour for which an employee is paid, or entitled to payment, by the Company or an affiliated employer for a period of time during which no duties are performed, irrespective of whether the employment relationship has terminated, by reason of vacation, holiday, illness, incapacity (including disability), lay-off, jury duty, military duty or leave of absence. Each such hour shall be credited to the computation period in which no duties are performed. In applying this Section 1.27.2, the following provisions shall apply:

(a) The number of hours to be credited to any single continuous period (whether or not such period occurs in a single computation period) for which hours are credited shall be the lesser of: (a) 501 hours, or (b) the number of hours for which the employee is paid with respect to such single continuous period;

(b) No hours shall be credited with respect to payments made to the employee for the purpose of complying with applicable workers' compensation, unemployment compensation or disability insurance laws, or payments made solely to reimburse an employee for medical or medically related expenses incurred by the employee; and

(c) An amount paid to an employee by the Company or an affiliated employer indirectly, such as by a trust, fund or insurer to which the Company or affiliated employer makes contributions or pays premiums, shall be deemed to be paid by the Company or affiliated employer.

1.27.3 Each hour (to the extent not included in Section 1.27.1 or 1.27.2) for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by the Company or an affiliated employer. Each such hour shall be credited to the computation period or periods to which the award or agreement pertains rather than to the computation period in which the award, agreement or payment is made.

1.27.4 Each hour for which an employee is not actually in service but is required to be given credit for service under any law of the United States, including, but not limited to, the Family and Medical Leave Act of 1993. Each such hour shall be credited to the computation period or periods for which the employee is required to be given credit for service.

1.27.5 Solely for the purpose of determining whether an employee has incurred a break in service, each hour with respect to a period during which he is absent from work for maternity or paternity reasons which otherwise would be credited to such employee but for such absence, or if such hours cannot be determined, 8 hours of service per day of such absence. For purposes of this Section 1.27.5, an absence from work for maternity or paternity reasons means an absence (a) by reason of the pregnancy of the employee; (b) by reason of the birth of a child of the employee; (c) by reason of the placement of a child with the employee in connection with the adoption of such child by such employee; or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement. The hours of service credited under this Section 1.27.5 shall be credited with respect to the computation period in which the absence begins, if necessary to prevent a break in service in such computation period. In all other cases, such hours of service shall be credited to the subsequent computation period. No more than 501 hours of service shall be required to be credited for maternity or paternity reasons. No credit shall be given under this Section 1.27.5, unless the employee furnishes to the Committee such timely information as the Committee reasonably may require to establish that the absence is for a reason described in this Section 1.27.5 and the number of days for which there was such an absence.

1.27.6 Solely for the purpose of determining whether an employee has incurred a break in service, an employee who is absent from work due to a leave of absence approved by the Participating Employer for which he is not paid (other than a leave of absence for maternity or paternity reasons) shall be credited with each hour of service such employee would otherwise be credited with but for such leave of absence The hours of service credited pursuant to this Section 1.27.6 shall be credited with respect to the computation period in which the absence begins, if necessary to prevent a break in service in such computation period. In all other cases, such hours of service shall be credited to the subsequent computation period. No more than 501 hours of service shall be required to be credited due to such leave of absence. The hours of service granted pursuant to the provisions of this Section 1.27.6 shall be disregarded if the participant does not return to service upon the expiration of such leave of absence; provided that this sentence shall not apply if the employee dies or becomes disabled during such leave of absence.

An employee for whom the Company or an affiliated employer maintains records of hours for which payment for the performance of duties is made shall be credited with hours of service on the basis of such records. Any other employee shall be credited with 45 hours of service for each week if under this Section 1.27 he would be credited with at least one hour of service for such week. The provisions of this Section 1.27 shall be applied in accordance with the provisions of Department of Labor Regulations Sections 2530.200b-2(b) and (c), which are incorporated herein by reference.

1.28 "Leased employee" means any individual, other than an employee of the Company or an affiliated employer (the "recipient employer"), who, pursuant to an agreement between the recipient employer and any other person (the "leasing organization") has performed services for the recipient employer, or the recipient employer and related persons determined in accordance with Section 414(n) of the Code, on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction or control of the recipient employer. Contributions or benefits provided a leased employee by the leasing organization that are attributable to services performed for the recipient employer shall be treated as provided by the recipient employer. A leased employee shall not be considered an employee of the recipient employer if: (a) such individual is covered by a money purchase pension plan

providing (i) a nonintegrated employer contribution rate of at least 10 percent of statutory compensation, (ii) immediate participation, and (iii) full and immediate vesting; and (b) leased employees do not constitute more than 20 percent of the recipient employer's nonhighly compensated work force as defined in Section 414(n)(5)(C)(ii) of the Code.

1.29 "Matching contributions" means the amounts contributed to the plan by a Participating Employer pursuant to the provisions of Section 2.2. The amounts contributed to the plan by a Participating Employer pursuant to Section 2.2.1(a) are sometimes referred to herein as "basic matching contributions." The amounts contributed to the plan by a Participating Employer pursuant to Section 2.2.1(b) are sometimes referred to herein as "supplemental matching contributions."

1.30 "Nonhighly compensated participant" means a participant who is not a highly compensated participant.

1.31 "Normal retirement age" of a participant means age 65. The "normal retirement date" of a participant means the date the participant attains his normal retirement age.

1.32 "Participant" means with respect to any plan year an eligible employee who has entered the plan and any former employee who has an accrued benefit under the plan. An eligible employee or former employee on the effective date who was a participant in the predecessor plan immediately preceding the effective date, or who was eligible to enter the predecessor plan as a participant on the effective date, shall be a participant in this plan as of the effective date. For purposes of Section 2.1.1 (making salary reduction contributions), an eligible employee who has not otherwise entered the plan shall become a participant as of the entry date next following the eligible employee's date of hire. For purposes of Section 2.2.1 (receiving matching contributions), an eligible employee shall become a participant as of the entry date next following the later of (i) the close of the first computation period in which he completes 1,000 or more hours of service; or (ii) his attainment of age 21. For the purpose of applying the foregoing provisions of this Section 1.32, the following provisions shall apply: (i) an eligible employee who is not in service on the date he is eligible to enter the plan shall not enter the plan until he

reenters service as an eligible employee, whereupon he immediately shall enter the plan; and (ii) a participant who terminates service and later reenters service shall reenter the plan as of the date he reenters service as an eligible employee.

1.33 "Participating Employer" means the Company and each employer that has adopted the plan pursuant to Exhibit B. See Section 20 for special provisions concerning Participating Employers.

1.34 "Plan" means the Truist Financial Corporation 401(k) Savings Plan as herein set out or as duly amended. That portion of the plan consisting of the ESOP accounts, the PAYSOP accounts and the Company stock fund accounts (as defined in Section 7.1.6) shall constitute a stock bonus plan and an employee stock ownership plan within the meaning of Section 4975(e)(7) of the Code (the "ESOP" or "ESOP portion of the Plan"). See Section 22 for special rules that apply to the ESOP. The remainder of the plan (the "non-ESOP portion of the Plan") shall constitute a profit sharing plan. All contributions to the Plan, including salary reduction and matching contributions, are made by the Participating Employer to the non-ESOP portion of the plan. Amounts are thereafter allocated and invested in the ESOP portion of the plan in accordance with participants' investment elections made pursuant to Section 7.

1.35 "Plan year" means the 12-month period ending on December 31 of each year.

1.36 "Predecessor plan" means the BB&T Corporation 401(k) Savings Plan in effect prior to August 1, 2020, and any other plan which was merged into such plan or whose assets and liabilities were transferred to such plan prior to such date. The term "predecessor plan" shall also include any plan which is merged into this plan or whose assets and liabilities are transferred to this plan after the effective date.

1.37 "Qualified nonelective contributions" means a contribution made by the Company pursuant to Section 2.1.4(d) of the plan.

1.38 "Retire" or "retirement" means the participant's termination of service on or after his normal retirement date.

1.39 "Roth contributions" means the salary reduction contributions made on behalf of a participant to the plan that (i) are designated as Roth contributions by the participant pursuant to the provisions of Section 23.1, (ii) meet the requirements of Section 402A(g) of the Code; and (iii) are included in the participant's compensation pursuant to Section 23.2 of the plan.

1.40 "Roth rollover contribution" means on and after January 1, 2012, any contribution made to the plan by a participant in accordance with the provisions of Section 23.12 of the plan and Section 402A(c)(3) of the Code.

1.41 "Salary reduction contributions" means the contributions described in Section 2.1 which are made to the plan by a Participating Employer on behalf of a participant who has elected to defer a specified percentage of his compensation. Salary reduction contributions shall be treated as employer contributions in accordance with the provisions of Section 1.401(k)-1(a)(4)(ii) of the Treasury Regulations.

1.42 "Service" means employment by a Participating Employer or an affiliated employer as an employee. An employee's service shall also include his service with an employer that is acquired by a Participating Employer or one of its affiliated employers, whether by merger, acquisition of assets or stock, or otherwise; provided that, the employee becomes an employee of a Participating Employer or one of its affiliated employers as a result of such acquisition.

1.43 "Spouse" or "surviving spouse" means the legally married spouse or surviving spouse of a participant; provided, that a former spouse shall be treated as the spouse or surviving spouse to the extent provided under a qualified domestic relations order described in Section 414(p) of the Code. Effective before June 26, 2013, notwithstanding the foregoing, a same gender spouse is deemed not to be the spouse or surviving spouse of a participant for any purposes under the plan, to the extent required by the Defense of Marriage Act.

Effective June 26, 2013, in accordance with Revenue Ruling 2013-17, for all Plan purposes, a "spouse" or "surviving spouse" includes any spouse of a legal marriage, including a same-sex spouse, that is validly entered into in a state whose laws authorize the marriage of two individuals of the same sex, even if the individuals are domiciled in a state that does not recognize the validity of same-sex marriages. However, individuals (whether part of an opposite-sex or same-sex couple) who have entered into a registered domestic partnership, civil union, or other similar formal relations recognized under state law that is not denominated as a marriage under the laws of that state are not treated as legally married. For this purpose, the term "state" means any domestic or foreign jurisdiction having the legal authority to sanction marriages. For all Plan purposes, a Participant is "married" if the Participant has a spouse as that term is used in this Section.

1.44 "Statutory compensation" means wages within the meaning of Section 3401(a) of the Code and all other payments of compensation to an employee by a Participating Employer (in the course of the Participating Employer's trade or business) for which the Participating Employer is required to furnish the employee a written statement under Sections 6041(d), 6051(a)(3) and 6052 of the Code, other than amounts paid or reimbursed by the Company for moving expenses incurred by the employee to the extent that at the time of the payment it is reasonable to believe that these amounts are deductible by the employee under Section 217 of the Code. Compensation must be determined for this purpose without regard to any rules under Section 3401(a) of the Code that limit the remuneration included in wages based on the nature or location of the employment or the services performed. The statutory compensation of an employee shall include any elective deferral (as defined in Section 402(g)(3) of the Code) and any other amount which is contributed or deferred by the Participating Employer at the election of the employee and which is not includible in the gross income of the employee by reason of Sections 125, 132(f)(4) or 457 of the Code. For purposes of Section 18, the statutory compensation of a participant shall be limited to the annual compensation limitation set forth in Section 1.12. For purposes of Section 19, the statutory compensation of a participant shall be limited to the annual compensation limitation set forth in Section 1.12.

Payments made by the later of 2½ months after severance from employment or the end of the limitation year that includes the severance from employment will be statutory compensation if they are payments that, absent a severance from employment, would have been paid to the participant while the participant continued in employment with a Participating Employer or an affiliated employer and are regular compensation for services during the participant's regular working hours, compensation for services outside the participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation. Any payments not described above are not considered statutory compensation if paid after severance from employment, even if they are paid within 2½ months following

severance from employment, except for payments to an individual who does not currently perform services for a Participating Employer or an affiliated employer by reason of qualified military service (within the meaning of Section 414(u)(1) of the Code) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for a Participating Employer or an affiliated employer rather than entering qualified military service.

1.45 "Testing compensation" means any of the definitions of compensation which are set forth on Exhibit A attached hereto, as designated by the Committee. Notwithstanding the foregoing, a participant's testing compensation shall be subject to the annual compensation limitation set forth in Section 1.12. The definition of compensation designated by the Committee for a particular plan year shall be used for purposes of determining the testing compensation of all participants for such year. Payments made by the later of 2½ months after severance from employment or the end of the limitation year that includes the severance from employment will be testing compensation if they are payments that, absent a severance from employment, would have been paid to the participant while the participant continued in employment with a Participating Employer or an affiliated employer and are regular compensation for services during the participant's regular working hours, compensation for services outside the participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation. Any payments not described above are not considered testing compensation if paid after severance from employment, even if they are paid within 2½ months following severance from employment, except for payments to an individual who does not currently perform services for a Participating Employer or an affiliated employer by reason of qualified military service (within the meaning of Section 414(u)(1) of the Code) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform

services for a Participating Employer or an affiliated employer rather than entering qualified military service.

1.46 "Trust" or "trust fund" means the trust fund held by the Trustee under the plan.

1.47 "Trust agreement" means the trust agreement between the Company and the Trustee which shall be a part of the plan.

1.48 "Trustee" means the entity appointed by the Company to administer the trust.

1.49 "Year of service" means the following:

1.49.1 With respect to service prior to the effective date, years of continuous service as determined pursuant to the terms of the predecessor plan.

1.49.2 With respect to service on or after the effective date, 1,000 or more hours of service during a computation period; provided, that no year of service following 5 consecutive breaks in service shall be taken into account in determining the vested percentage of an employee's accrued benefit that accrued before such breaks in service.

1.49.3 Years of service shall include any period during which an employee would have been a leased employee but for the requirement that a leased employee perform service for the Company, or the Company and related persons determined in accordance with Section 414(n)(6) of the Code, on a substantially full-time basis for a period of at least one year.

Section 2 Contributions to the Trust and Allocation Thereof.

2.1 Salary Reduction Contributions.

2.1.1 Amount of salary reduction contributions; Excess elective deferrals. Each eligible employee who becomes a participant and is in service may elect in the manner provided by the Committee to reduce his compensation by a percentage not less than 0.01 percent and not more than 50 percent. The amount of the participant's salary reduction shall be contributed by the Participating Employer to the trust for each plan year as a salary reduction contribution in accordance with the provisions of Section 2.1.2. No participant shall be permitted to have elective deferrals made under this plan, or any other qualified plan maintained by the Company or an affiliated employer during any taxable year, in excess of the dollar limitation contained in Section 402(g) of the Code in effect for such taxable year, except to the extent permitted under Section 2.1.6 and Section 414(v) of the Code (the "maximum dollar limit"). In the event of an excess elective deferral (determined by taking into account only the plan and any other plans maintained by an affiliated employer), the Participating Employer shall notify the Committee in writing on behalf of the participant of such excess elective deferral and the amount thereof shall be adjusted for income and losses allocable thereto and distributed to the participant (a "corrective distribution") no later than the April 15 following the end of the taxable year during which such excess elective deferral was made. The income or loss allocable to excess elective deferral equals the allocable gain or loss through the end of the plan year, and no income or loss is allocable to the gap period. The excess elective deferral which otherwise would be distributed to the participant shall be reduced in accordance with Treasury regulations by the amount of any excess contributions distributed previously to the participant If the participant is also a participant in another plan or arrangement under which elective deferrals were made and the elective deferrals made under such other plan or arrangement and this plan in the aggregate exceed the maximum dollar limit for such participant's taxable year, then not later than March 1 following the close of the taxable year during which the excess elective deferral was made, the participant may notify the Committee in writing that all or part of the salary reduction contribution made on his behalf under the plan represents an excess elective deferral for his preceding taxable year and request that his salary reduction contribution under the plan be reduced by a specified amount. The specified amount shall be adjusted for income and loss allocable thereto in the same manner as heretofore provided in this Section 2.1.1. In no event may the participant receive from the plan as a corrective distribution with respect to a plan year an amount in excess of such participant's salary reduction contributions under the plan for the plan year, as adjusted for income and losses allocable thereto. Distributions of excess elective deferrals to participants may be made notwithstanding any other provision of the plan or Code. The amount of any excess elective deferral distributed to the participant pursuant to this Section 2.1.1 shall not be treated as an annual addition for purposes of Section 19.

2.1.2 Time for making salary reduction contributions. A participant's salary reduction contributions shall be accumulated through payroll deductions and paid by the Participating Employer to the Trustee as of the earliest date on which such contributions can reasonably be segregated from the general assets of the Participating Employer, but

in no event later than the 15th business day of the month following the month in which such amounts would otherwise have been payable to the participant in cash.

2.1.3 Administrative rules governing salary reduction contributions.

(a) An election pursuant to Section 2.1.1 (a "deferral election") shall be made by the participant in accordance with such rules and procedures as are adopted by the Committee from time to time. The participant's deferral election shall become effective as of the beginning of the first full payroll period commencing on or after the date of receipt by the Committee of such deferral election, or as soon thereafter as administratively practicable, unless otherwise provided by the Committee. Unless modified or revoked by the participant, the deferral election shall continue in effect until such time as he terminates service. A new deferral election with respect to a participant who terminates service and later reenters service and becomes a participant shall become effective at the beginning of the first full payroll period commencing on or after the date such participant reenters the plan.

(b) Subject to provisions of Section 2.1.3(e), a participant unilaterally may modify his deferral election as of any date to increase or decrease the portion of his compensation subject to salary reduction within the percentage limits set forth in Section 2.1.1. Any such modification shall be made in the manner provided by the Committee and shall become effective at the beginning of the first full payroll period commencing on or after the date of receipt of the modified election by the Committee unless otherwise provided by the Committee.

(c) Subject to the provisions of Section 2.1.3(e), a participant unilaterally may revoke his deferral election at any time by providing notice to the Committee in the manner provided by the Committee. The revocation shall become effective at the beginning of the first full payroll period commencing on or after the date such notification is received by the Committee. A participant may resume salary reduction contributions at any time by making a new deferral election in accordance with the provisions of Section 2.1.3(e).

(d) The Committee may amend or revoke a deferral election with a participant at any time if the Committee determines that such amendment or revocation is necessary to ensure that the annual additions (as defined in Section 19) to the accounts of a participant do not exceed the annual addition limitations (described in Section 19) for such participant or that the requirements of Section 2.1.4 are met for such plan year.

(e) The Company shall establish a payroll deduction system to assist it in making salary reduction contributions. The Committee from time to time may adopt policies or rules governing the manner in which such contributions may be made so that the plan may be administered conveniently.

(f) All salary reduction contributions shall be made by the Participating Employer to the non-ESOP portion of the plan.

2.1.4 Limitations on salary reduction contributions.

(a) Subject to the provisions of Sections 2.1.4(f) and 2.1.7, all deferral elections made by highly compensated participants with respect to any plan year shall be valid only if one of the tests set forth in Section 2.1.4(b), performed using the current year testing method, is satisfied for such plan year.

(b) For each plan year, the ADP for the group of highly compensated participants for such plan year shall bear to the ADP for the group of nonhighly compensated participants for such plan year a relationship that satisfies either of the following tests:

(i) The ADP for the group of highly compensated participants is not more than the ADP for the group of nonhighly compensated participants multiplied by 1.25; or

(ii) The ADP for the group of highly compensated participants is not more than the ADP for the group of nonhighly compensated participants multiplied by 2, and the excess of the ADP for the group of highly compensated participants over the ADP for the group of nonhighly compensated participants is not more than 2 percentage points.

For purposes of applying the provisions of this paragraph (b), the following provisions shall apply:

(iii) A participant is a highly compensated participant for a particular plan year if he meets the definition of a highly compensated participant in effect for that plan year. A participant is a nonhighly compensated participant for a particular plan year if he does not meet the definition of a highly compensated participant in effect for that plan year.

(iv) Pursuant to regulations issued by the Secretary of the Treasury, the Committee may elect to include all or part of the matching contributions under the plan or any other qualified plan that it sponsors for purposes of calculating the ADP with respect to each participant. Notwithstanding the foregoing matching contributions shall be treated as salary reduction contributions for purposes of calculating the ADP of each participant only if the conditions described in Section 1.401(k)-2(a)(6) of the Treasury Regulations are satisfied. Matching contributions which

are treated as salary reduction contributions pursuant to the provisions of this subparagraph (1) shall not be distributable other than upon one of the events described in Section 5.8(a) through (f).

(v) If 2 or more plans of the Participating Employer or an affiliated employer that include cash or deferred arrangements described in Section 401(k) of the Code are aggregated for purposes of Section 410(b) of the Code (other than for purposes of the average benefit percentage test), the cash or deferred arrangements included in such plans shall be treated as one arrangement. Notwithstanding the foregoing plans may be aggregated in order to satisfy the tests set forth in Section 2.1.4(b) only if they have the same plan year and use the same ADP testing method.

(vi) If a highly compensated participant is a participant under 2 or more cash or deferred arrangements (described in Section 401(k) of the Code) of the Participating Employer or an affiliated employer, all such cash or deferred arrangements shall be treated as one cash or deferred arrangement for the purpose of determining the ADP with respect to such highly compensated participant. If a highly compensated participant is a participant in 2 or more cash or deferred arrangements of the Participating Employer or an affiliated employer that have different plan years, all elective deferrals made during this plan's plan year under all such arrangements shall be aggregated. Notwithstanding the foregoing, certain plans shall be treated as separate if mandatorily disaggregated under Treasury Regulations issued under Section 401(k) of the Code.

(vii) The group of highly compensated participants and the group of nonhighly compensated participants shall include any participant defined as such, regardless of whether he elects to make a salary reduction contribution under the plan.

(viii) The Company shall maintain records sufficient to demonstrate satisfaction of the ADP test.

(ix) Notwithstanding anything to the contrary in the plan, the determination and treatment of salary reduction contributions and the ADP of any participant shall satisfy Section 1.401(k)-1 and 1.401(k)-2 of the Treasury

Regulations and such other requirements as may be prescribed by the Secretary of the Treasury.

(c) If at the end of any plan year neither test set forth in Section 2.1.4(b) is satisfied, then within 2½ calendar months following the end of each plan year, but in no event later than the year-end adjustment date following the close of such 2½ month period (the "distribution date"), the salary reduction contribution for such plan year of each highly compensated participant shall be reduced by his share of the excess contribution for such plan year. Reductions shall be made pursuant to the steps in the following order:

(i) Step one. The actual deferral percentage of the highly compensated participant with the highest actual deferral percentage shall be reduced by the amount required to cause the highly compensated participant's actual deferral percentage to equal the actual deferral percentage of the highly compensated participant with the next highest actual deferral percentage. This process shall be repeated until the plan satisfies one of the tests set forth in Section 2.1.4(b). The dollar amount of each reduction made pursuant to this step one shall be determined for each highly compensated participant. Such amount shall not be distributed to the affected highly compensated participant, but instead shall be used in steps two and three below.

(ii) Step two. The dollar amount of the reduction determined for each highly compensated participant in accordance with step one above shall be aggregated. Such amount shall be allocated in accordance with step three below.

(iii) Step three. The salary reduction contributions of the highly compensated participant with the highest dollar amount of salary reduction contributions shall be reduced by the amount required to cause that highly compensated participant's salary reduction contributions to equal the dollar amount of the salary reduction contributions of the highly compensated participant with the next highest dollar amount of salary reduction contributions. This process shall be repeated until the total amount of salary reduction contributions so reduced equals the aggregate dollar amount determined in step two above.

All salary reduction contributions so reduced, adjusted for income and losses allocable thereto, shall be designated by the Company as excess contributions. To the extent a highly compensated participant has not been credited with the maximum allowable catch-up salary reduction contributions pursuant to Section

2.1.6 of the plan and Section 414(v) of the Code, the excess contributions shall be classified as catch-up salary reduction contributions. Any remaining excess contributions shall be distributed to the participant no later than the distribution date. The income or loss allocable to excess contributions equals the allocable gain or loss through the end of the plan year, and no income or loss is allocable to the gap period. The excess contribution that otherwise would be distributed to the participant shall be reduced in accordance with Treasury Regulations by the amount of any excess elective deferrals previously distributed to the participant. The amount of any excess contribution shall be treated as an annual addition for purposes of Section 19 for the plan year in which such excess contribution was made. Distributions of excess contributions to participants may be made notwithstanding any other provision of the plan or Code. In no event may the amount of the excess contributions distributed for a plan year with respect to any highly compensated participant exceed the amount of salary reduction contributions made in behalf of the highly compensated participant for such plan year, as adjusted for income and losses allocable thereto.

(d) In lieu of applying the three-step process described in Section 2.1.4(c), the Company may, within 30 days after the end of the plan year, make a qualified nonelective contribution with respect to such plan year on behalf of nonhighly compensated participants in an amount determined by the Company to be sufficient to satisfy one of the tests set forth in Section 2.1.4(b). Such qualified nonelective contribution shall be allocated to the QNEC accounts of those participants entitled to share in such contribution pursuant to the provisions of Section 2.1.5(b). On such allocation, the qualified nonelective contribution shall be considered a salary reduction contribution subject to all provisions of the plan regarding salary reduction contributions other than Section 4.1. The Company shall pay such qualified nonelective contribution with respect to a plan year to the Trustee within 30 days after the end of such plan year. Notwithstanding anything contrary contained in the plan, qualified nonelective contributions shall be treated as salary reduction contributions for purposes of the tests set forth in Section 2.1.4(b) only if the conditions described in Section 1.401(k)-1(c) and (d) of the Treasury Regulations are satisfied with respect to such qualified nonelective contributions. In no event will the amount of any qualified nonelective contribution to the plan be in an amount that would cause the amount allocable to any nonhighly compensated participant to exceed a percentage of the nonhighly compensated participant's compensation that is equal to the greater of (i) 5%, or (ii) two times the plan's "representative contribution rate" for the plan year, as determined under Treasury Regulation Section 1.401(k)-2(a)(6)(iv)(B).

(e) If at any time during a plan year the Company in its discretion determines that neither of the tests set forth in Section 2.1.4(b) will be met for such plan year, then the Company in its discretion shall have the unilateral right during the plan year to require prospective reduction of the percentage of the compensation of highly compensated participants that may be subject to deferral elections for part or all of the balance of such year.

(f) Notwithstanding anything to the contrary in the plan, for purposes of applying the tests set forth in Section 2.1.4, the plan shall be treated as comprising two plans, one which benefits the eligible employees who have not yet attained age 21 and completed a year of service ("testing plan A") and one which benefits all other eligible employees in accordance with Section 1.410(b)-6(b)(3) ("testing plan B"). Testing plan B is intended to satisfy the nondiscrimination requirements set forth in Section 2.1.4 by compliance with the safe harbor methods described in Section 401(k)(12) of the Code (the "401(k) safe harbor"). Testing plan A is not intended to satisfy the 401(k) safe harbor. Consequently, with respect to each plan year, the salary reduction contributions made on behalf of the participants in testing plan A shall satisfy the requirements of Section 2.1.4.

(g) Except as otherwise provided in this subsection (g), the plan may use the current year testing method or prior year testing method for the ADP test for a plan year without regard to whether the current year testing method or prior year testing method is used for the ACP test for that plan year. However, if different testing methods are used, the plan cannot use:

(i) The recharacterization method of Treasury Regulation Section 1.401(k)-2(b)(3) to correct excess contributions for a plan year;

(ii) The rules of Treasury Regulation Section 1.401(m)-2(a)(6)(ii) to take elective contributions into account under the ACP test (rather than the ADP test); or

(iii) The rules of Treasury Regulation Section 1.401(k)-2(a)(6)(v) to take qualified matching contributions into account under the ADP test (rather than the ACP test).

(h) For purposes of this Section 2.1.4, the portion of the plan covering employees of McGriff, Seibels & Williams, Inc. and the portion covering employees of CRC Insurance Services, Inc. shall be treated as qualified separate lines of business, as defined in Section 414(r) of the Code, separate from each other and from the portion of the plan covering the employees of all other participating employers. The portion of the plan covering employees of McGriff, Seibels & Williams, Inc. shall be subject to the nondiscrimination testing requirements described in Section 2.1.7. The portion of the plan covering employees of CRC Insurance Services, Inc. shall be subject to the nondiscrimination testing requirements described in Section 2.1.4, without regard to Section 2.1.7. The remaining portion of the plan shall be subject to the nondiscrimination testing described in Section 2.1.4(a), taking into account Section 2.1.7.

2.1.5 Allocation to salary reduction contribution (before-tax) accounts.

(a) Salary reduction contributions made by the Participating Employer shall be allocated to the salary reduction contribution (before-tax) account of a participant as of the last day of the payroll period for which such contribution is made. The salary reduction contribution (before-tax) account of each participant shall be accounted for separately from the participant's other accounts under the plan.

(b) If the Company elects to make a qualified nonelective contribution with respect to any plan year, such contribution shall be allocated to the QNEC account of each nonhighly compensated participant with respect to whom a salary reduction contribution was made to the trust for such plan year. Such allocation shall be in the proportion that each such participant's compensation bears to the total compensation of all such participants. Qualified nonelective contributions made for a plan year shall be allocated to a participant's QNEC account as of the adjustment date the contribution is received in the trust by the Trustee.

2.1.6 Catch-up salary reduction contributions. Notwithstanding the foregoing, all participants who have attained age 50 before the close of a calendar year shall be eligible to make catch-up salary reduction contributions in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such catch-up salary reduction contributions shall not be taken into account for purposes of the provisions of the plan implementing the required limitations of Sections 402(g) and 415 of the Code. The plan shall not be treated as failing to satisfy the provisions of the plan implementing the requirements of Sections 401(k)(3), 401(k)(11), 401(k)(12), 410(b) or 416 of the Code, as applicable, by reason of the making of such catch-up salary reduction contributions. The Committee shall adopt such policies and rules governing the manner in which such catch-up salary reduction contributions may be made so that the plan may be administered conveniently. In no event shall a Participating Employer make a matching contribution to the plan with respect to a participant's catch-up salary reduction contributions, except to the extent required if the plan is intended to meet Section 2.1.7.

2.1.7 Safe harbor ADP test provisions for testing plan B. For testing plan B (as defined in Section 2.1.4(f)), the provisions of this Section 2.1.7 apply in lieu of the nondiscrimination requirements set forth in Section 2.1.4, and the plan will meet both the notice requirement and the contribution requirement provided below for each plan year with respect to each employee eligible to participate in testing plan B:

(a) Notice requirement. Each employee eligible to participate in testing plan B shall, within a reasonable period of time before each plan year (or, for a newly eligible employee, within a reasonable period before the employee first becomes eligible to participate in the plan) be given written notice of the employee's rights and obligations under the plan (namely, a description of the basic matching contribution formula being used for the plan year; the plan conditions under which contributions will be made; the type and amount of

compensation that may be deferred; the manner in which cash or deferred contributions may be made; the election periods under the plan; and the withdrawal and vesting provisions under the plan). The notice shall be sufficiently accurate and comprehensive to apprise the employee of such rights and obligations and shall be written in a manner calculated to be understood by the average employee eligible to participate in testing plan B.

(b) Contribution requirement. The contribution requirements are met if the basic matching contribution requirement (as defined below) is met for each employee who is eligible to participate in testing plan B. As used herein, the term "basic matching contribution requirement" means basic matching contributions on behalf of each nonhighly compensated participant (whether or not the employee ceased participation or terminated employment before the end of the plan year) in an amount equal to one hundred percent (100%) of the elective deferrals of the participant to the extent such elective deferrals do not exceed three percent (3%) of the participant's compensation, and fifty percent (50%) of the elective deferrals to the extent that such elective deferral exceeds three percent (3%) of compensation, but does not exceed five percent (5%) of compensation. The rate of basic matching contributions for highly compensated participants cannot be greater than the rate of basic matching contributions for nonhighly compensated participants at any rate of elective deferrals. If the rate of basic matching contributions is not equal to the percent required under the basic matching contribution requirement, testing plan B will nevertheless meet the basic matching contribution requirement if the rate of basic matching contributions does not increase as a participant's rate of elective deferrals increases, and the aggregate amount of basic matching contributions at such rate is equal to or greater than the aggregate amount of basic matching contributions which would be made if basic matching contributions were made on the basis of the percentages specified above. The basic matching contributions allocated to participants' accounts are fully vested and nonforfeitable and may not be distributed earlier than separation from service, death, disability, an event described in Section 401(k)(10) of the Code, or the attainment of age 59½. For purposes of this paragraph, the rate of basic matching contributions for a highly compensated participant is determined by reference only to basic matching contributions under this plan.

2.2 Matching Contributions.

2.2.1 Amount and allocation of matching contributions. Except as provided for under (c) and (d) below, for each payroll period during a plan year, the Participating Employer shall make a contribution to the plan on behalf of each participant. The matching contribution for each payroll period shall equal the sum of:

(a) 100 percent of the amount of the salary reduction contribution made on behalf of such participant during such payroll period up to 4 percent of his compensation with respect to such payroll period (the "basic matching contribution"). The amount of the salary reduction contribution made on behalf of the participant during such payroll

period in excess of 4 percent shall be disregarded in determining the amount of the participant's basic matching contribution.

(b) 100 percent of the amount of the salary reduction contribution made on behalf of such participant during such payroll period in excess of 4 percent but not in excess of 6 percent of his compensation with respect to such payroll period (the "supplemental matching contribution"). The amount of the salary reduction contribution made on behalf of the participant during such payroll period in excess of 6 percent shall be disregarded in determining the amount of the participant's supplemental matching contribution.

(c) Any participant employed by McGriff, Seibels & Williams, Inc., shall be eligible for a basic matching contribution equal to 100 percent of the amount of the salary reduction contribution made on behalf of such participant during a payroll period not exceeding 4 percent of his compensation with respect to such payroll period.

(d) Any participant employed by CRC Insurance Services, Inc., shall be eligible for a matching contribution equal to 50 percent of the amount of the salary reduction contribution made on behalf of such participant during a payroll period.

The basic matching contribution made with respect to each participant shall be allocated to his Employer basic matching contribution account. The supplemental matching contribution made with respect to each participant shall be allocated to his Employer supplemental matching contribution account. Matching contributions shall be paid by the Participating Employer to the Trustee as soon as administratively feasible following the end of the payroll period for which such contributions are being made, but in no event later than the last day of the next following calendar quarter. All matching contributions shall be made by the Participating Employer to the non-ESOP portion of the plan.

2.2.2 Limitations on matching contributions. Subject to the provisions of Section 2.2.5, the following provisions shall apply with respect to matching contributions under the plan:

(a) Contribution percentage limitation: For each plan year the contribution percentage for the group of highly compensated participants for such plan year shall bear to the contribution percentage for the group of nonhighly compensated participants for such plan year a relationship that satisfies either of the following tests:

(i) The contribution percentage for the group of highly compensated participants is not more than the contribution percentage for the group of nonhighly compensated participants multiplied by 1.25; or

(ii) The contribution percentage for the group of highly compensated participants is not more than the contribution percentage for the group of nonhighly compensated

participants multiplied by 2, and the excess of the contribution percentage for the group of highly compensated participants over the contribution percentage for the group of nonhighly compensated participants is not more than 2 percentage points.

(b) For purposes of applying the provisions of this Section 2.2.2, the following provisions shall apply:

(i) A participant is a highly compensated participant for a particular plan year if he meets the definition of a highly compensated participant in effect for that plan year. A participant is a nonhighly compensated participant for a particular plan year if he does not meet the definition of a highly compensated participant in effect for that plan year.

(ii) Pursuant to regulations issued by the Secretary of the Treasury, the Committee may elect to take into account elective deferrals under the plan or any other qualified plan of the Participating Employer for purposes of computing the contribution percentages.

(iii) If 2 or more plans of the Participating Employer or an affiliated employer are aggregated for purposes of Sections 401(a)(4) or 410(b) of the Code (other than for purposes of the average benefit percentage test), the contribution percentage of each participant under the plan shall be determined as if all such plans were a single plan. Notwithstanding the foregoing, plans may be aggregated in order to satisfy the tests set forth in Section 2.2.2(a) only if they have the same plan year and use the same contribution percentage testing method.

(iv) If a highly compensated participant is a participant in 2 or more plans described in Section 401(a) of the Code or cash or deferred arrangements described in Section 401(k) of the Code maintained by the Participating Employer or an affiliated employer to which matching contributions, nondeductible voluntary contributions or elective deferrals are made on behalf of such highly compensated participant, all such plans and arrangements shall be treated as a single plan for the purpose of determining the contribution percentage of such highly compensated participant. If a highly compensated participant is a participant in 2 or more such plans or arrangements that have different plan years, all amounts taken into account in computing the

participant's contribution percentage during this plan's plan year under all such plans and arrangements shall be aggregated. Notwithstanding the foregoing, certain plans shall be treated as separate if mandatorily disaggregated under Treasury Regulations issued under Section 401(m) of the Code.

(v) The determination of who is a highly compensated participant or a nonhighly compensated participant shall include any employee who is eligible to receive matching contributions or, if the Committee takes elective deferrals into account, make elective deferrals.

(vi) The Company shall maintain records sufficient to demonstrate satisfaction of the tests set forth in Section 2.2.2(a) and the amount of elective deferrals, if any, used in such tests.

(vii) Notwithstanding anything to the contrary in the plan, the determination and treatment of matching contributions and the contribution percentage of any participant shall satisfy Sections 1.401(m)-1 and 1.401(m)-2 of the Treasury Regulations and such other requirements as may be prescribed by the Secretary of the Treasury.

2.2.3 Correction of excess matching contributions. If at the end of any plan year, neither test set forth in Section 2.2.2(a) is satisfied, the Committee shall adjust the matching contributions of the highly compensated participants within 2½ calendar months following the end of each plan year, but in no event later than the year-end adjustment date following the close of such 2½ month period (the "distribution date"). The matching contribution of each highly compensated participant shall be reduced by his share of the excess aggregate contributions for such plan year. Reductions shall be made pursuant to the following procedure:

(a) Step one. The contribution percentage of the highly compensated participant with the highest contribution percentage shall be reduced by the amount required to cause the highly compensated participant's contribution percentage to equal the contribution percentage of the highly compensated participant with the next highest contribution percentage. This process shall be repeated until the plan satisfies one of the tests set forth in Section 2.2.2(a). The dollar amount of each reduction made pursuant to this step one shall be determined for each highly compensated participant. Such amount shall not be distributed to the affected highly compensated participant, but instead shall be used in steps two and three below.

(b) Step two. The dollar amount of the reduction determined for each highly compensated participant in accordance with step one above shall be aggregated. Such amount shall be allocated in accordance with step three below.

(c) Step three. The matching contributions of the highly compensated participant with the highest dollar amount of matching contributions shall be reduced by the amount required to cause that highly compensated participant's matching contributions to equal the dollar amount of the matching contributions of the highly compensated participant with the next highest dollar amount of matching contributions. This process shall be repeated until the total amount of matching contributions so reduced equals the aggregate dollar amount determined in step two above.

All matching contributions so reduced, adjusted for income and losses allocable thereto, shall be designated by the Participating Employer as excess aggregate contributions and distributed to the participant no later than the distribution date The income or loss allocable to excess aggregate contributions equals the allocable gain or loss through the end of the plan year, and no income or loss is allocable to the gap period. Distributions to participants of excess aggregate contributions may be made notwithstanding any other provision of the plan or Code. The amount of any excess aggregate contribution shall be treated as an annual addition for purposes of Section 19 for the plan year in which such excess aggregate contribution was made.

2.2.4 Forfeiture of matching contributions. Notwithstanding anything to the contrary in the plan, if all or part of a participant's salary reduction contribution is treated as an excess contribution, an excess elective deferral or an excess aggregate contribution, the matching contribution made with respect to such salary reduction contribution, adjusted for income and losses allocable thereto, and which is not distributed in order to enable the plan to comply with one of the tests set forth in Section 2.2.2(a) shall be forfeited by the participant within 2 ½ calendar months following the end of the plan year for which the matching contribution was made (the "forfeiture date"). The income or loss allocable to the forfeited matching contribution for the plan year of such matching contribution shall be determined by multiplying the amount of the income or loss allocable to the participant's matching contributions for such plan year by a fraction, the numerator of which is the forfeited matching contribution for such plan year, and the denominator of which is equal to the sum of: (i) the balance in the participant's account attributable to matching contributions as of the beginning of such plan year; and (ii) the matching contributions made on behalf of the participant for such plan year. Income or loss allocable to the forfeited matching contribution shall not include income or loss for the period between the end of the plan year and the forfeiture date. Forfeitures of matching contributions (including income or losses allocable thereto) shall reduce the amount of matching contributions which the Participating Employer otherwise is obligated to make pursuant to Section 2.2, if any.

2.2.5 Nondiscrimination testing. Notwithstanding anything to the contrary in the plan, for purposes of applying the tests set forth in Section 2.2.2, the plan shall be comprised of testing plan A (as defined in Section 2.1.4(f)) and testing plan B (as defined

in Section 2.1.4(f)). Testing plan B is intended to satisfy the nondiscrimination requirements set forth in Section 2.2.2 by compliance with the safe harbor methods described in Section 401(m)(11) of the Code and Section 2.2.6 below. Testing plan A is deemed to satisfy the requirements of Section 2.2.2 since participants in testing plan A are not eligible to receive matching contributions.

2.2.6 Safe harbor ACP test provisions for testing plan B. For testing plan B (as defined in Section 2.1.4(f)), the provisions of this Section 2.2.6 apply in lieu of the nondiscrimination requirements set forth in Section 2.2.2, and testing plan B will meet both the safe harbor ADP test provisions in Section 2.1.7 and the special limitations on Employer matching contributions provided as follows with respect to each employee eligible to participate in testing plan B.

(a) Employer matching contributions shall not be allocated to the account of a participant with respect to the participant's salary reduction contributions which exceed six percent (6%) of the participant's compensation; and

(b) the rate of employer matching contributions shall not increase as the rate of a participant's salary reduction contribution increases; and

(c) the employer matching contributions with respect to any highly compensated participant at any rate of salary reduction contribution shall not be greater than that with respect to a nonhighly compensated participant.

2.2.7 QSLOB testing. For purposes of Sections 2.2.2 – 2.2.6, the portion of the plan covering employees of McGriff, Seibels & Williams, Inc. and the portion covering employees of CRC Insurance Services, Inc. shall be treated as qualified separate lines of business, as defined in Section 414(r) of the Code, separate from each other and from the portion of the plan covering the employees of all other participating employers. The portion of the plan covering employees of McGriff, Seibels & Williams, Inc. shall be subject to the nondiscrimination testing requirements described in Sections 2.2.6. The portion of the plan covering employees of CRC Insurance Services, Inc. shall be subject to the nondiscrimination testing requirements described in Sections 2.2.2 – 2.2.4. The remaining portion of the plan shall be subject to the nondiscrimination testing described in Sections 2.2.2 – 2.2.6. Effective August 1, 2020 and until the end of the day on December 31, 2020, the portion of the plan covering employees of the operations of the former SunTrust Banks, Inc. shall be treated as a qualified separate line of business, as defined in Section 414(r) of the Code, separate from the portion of the plan covering the employees of all other participating employers.

2.3 Discretionary Supplemental Employer Contributions. In addition to the contributions provided for in Section 2.1 and 2.2, the Participating Employer may from time to time make a supplemental contribution (the "supplemental employer contribution") on behalf

of each participant who becomes an eligible employee as a result of a corporate transaction (as defined in this Section 2.3) involving the Participating Employer and is designated by the Committee to receive a supplemental employer contribution or as provided in Section 2.3.3, 2.3.4, or 2.3.5. A supplemental employer contribution may be made for one of the following purposes: (i) to make up for all or any portion of the contribution the participant would have received under his former employer's tax-qualified defined contribution plan had the corporate transaction not occurred during the applicable plan year (a "make-up contribution"); or (ii) to offset any surrender charges imposed against, the participant's account under his former employer's tax-qualified defined contribution plan when the assets of such plan are transferred to the plan (a "surrender charge contribution"). The Committee shall determine whether a supplemental employer contribution shall be made by the Participating Employer pursuant to the provisions of this Section 2.3 and the amount thereof, and shall designate the participants eligible to receive such contribution. The supplemental employer contribution for a plan year, if any, shall be allocated in accordance with Sections 2.3.1 or 2.3.2, as applicable.

2.3.1 If the supplemental employer contribution is a make-up contribution, such contribution shall be allocated among the eligible participants in the same proportion that the compensation of each such participant bears to the compensation of all eligible participants for such plan year.

2.3.2 If the supplemental employer contribution is a surrender charge contribution, such contribution shall be allocated among the eligible participants in the same proportion that the surrender charge imposed on the account of each such participant bears to the total surrender charges imposed on the accounts of all eligible participants subject to the surrender charge for such plan year.

2.3.3 Notwithstanding any provision in Section 2.3 to the contrary, any participant employed by McGriff, Seibels & Williams, Inc. during a plan year shall be eligible for a supplemental employer contribution if McGriff, Seibels & Williams, Inc., in its sole discretion, determines to make such contribution for the plan year. If made, such contribution shall be allocated on a pro-rata basis among participants employed by McGriff, Seibels & Williams, Inc. during the plan year, as a uniform percentage of the participant's compensation paid by McGriff, Seibels & Williams, Inc. during such plan year.

2.3.4 Notwithstanding any provision in Section 2.3 to the contrary, a participant employed by CRC Insurance Services, Inc., during a plan year shall be eligible for a

supplemental employer contribution if CRC Insurance Services, Inc., in its sole discretion, determines to make such contribution for the plan year, provided such participant is employed on the last day of the plan year, except that this requirement does not apply if a participant terminates employment before such date on account of death, disability or attainment of normal retirement age. If made, such contribution shall be allocated to participant groups, under the "participant group allocation method", as described in Treasury Regulation Section 1.401(a)(4)-8(b). CRC Insurance Services, Inc. shall specify in written instructions to the Committee, by no later than the due date of the company's tax return for the year to which the contribution relates, the portion of such contribution to be allocated to each participant allocation group. The contribution allocated to each participant allocation group will be allocated among the employees in that group in the ratio that each employee's compensation bears to the total compensation of all employees in the group. In the event that an eligible employee is included in more than one participant allocation group, the participant's share of the contribution allocated to each such group will be based on the participant's compensation for the part of the year that the participant was in the group. Any allocation must satisfy the minimum allocation gateway: each nonhighly compensated participant must have an allocation rate that is not less than the lesser of 5 percent or one-third of the allocation rate of the highly compensated participant with the highest allocation rate. An allocation rate is the amount of contributions allocated to a participant for a year, expressed as a percentage of compensation. In no event shall a participant hired or rehired after April 1, 2012, or an employee or former employee of TAPCO Underwriting be included in an allocation group.

2.3.5 Notwithstanding any provision in Section 2.3 to the contrary, a participant employed by AmRisc LLC during a plan year shall be eligible for a supplemental employer contribution if AmRisc LLC, in its sole discretion, determines to make such contribution for the plan year, but only if such participant is employed on the last day of the plan year and has been credited with 1,000 Hours of Service during such plan year, except that this requirement does not apply if a participant terminates employment before such date on account of death, disability or attainment of normal retirement age, and, in addition, the requirement that a participant be credited with 1,000 Hours of Service does not apply if a participant would be eligible for a top-heavy minimum benefit described in Section 416(c) of the Code under this plan.

If made, such contribution shall be allocated as follows:

STEP ONE: Solely with respect to any year in which the plan is top-heavy, contributions will be allocated to each eligible participant's account in the ratio that each such participant's compensation for the plan year bears to the compensation of all eligible participants for the plan year, but not in excess of 3% of each participant's compensation for the plan year.

STEP TWO: Solely with respect to any year in which the plan is top-heavy, any contributions remaining after the allocation in Step One will be allocated to each participant's account in the ratio that each eligible participant's excess compensation for

the plan year bears to the excess compensation of all eligible participants for the plan year, but not in excess of 3% of each participant's excess compensation for the plan year. For purposes of this Step Two, in the case of any eligible participant who has exceeded the cumulative permitted disparity limit described below, such eligible participant's compensation for the plan year will be taken into account.

STEP THREE: Any contributions remaining after the allocation in Step Two will be allocated to each participant's account in the ratio that the sum of each participant's compensation plus excess compensation for the plan year bears to the sum of all participants' compensation plus excess compensation for the plan year. For purposes of this Step Three, in the case of any eligible participant who has exceeded the cumulative permitted disparity limit described below, two times such participant's compensation will be taken into account.

STEP FOUR: Any remaining employer contributions will be allocated to each participant's account in the ratio that each participant's compensation for the plan year bears to all participants' compensation for the plan year.

For purposes of this Section 2.3.5, "excess compensation" means compensation in excess of 100% of the taxable wage base under Section 230 of the Social Security Act at the beginning of the plan year.

Annual overall permitted disparity limit: Notwithstanding the preceding paragraphs, for any plan year that this plan benefits any participant who benefits under another qualified plan or simplified employee pension plan, as defined in Section 408(k) of the Code, maintained by the employer that provides for permitted disparity (or imputes disparity), contributions will be allocated to the account of each eligible participant in the ratio that such eligible participant's compensation bears to the compensation of all eligible participants.

Cumulative permitted disparity limit: Effective for plan years beginning on or after January 1, 1995, the cumulative permitted disparity limit for a participant is 35 total cumulative permitted disparity years. Total cumulative permitted disparity years means the number of years credited to the participant for allocation purposes under this plan and any other qualified plan or simplified employee pension plan (whether or not terminated) ever maintained by the employer. For purposes of determining the participant's cumulative permitted disparity limit, all years ending in the same calendar year are treated as the same year. If the participant has not been benefiting under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the participant has no cumulative permitted disparity limit. The maximum disparity limit for the plan is 5.7 percent.

For purposes of this Section 2.3, a corporate transaction means any corporate transaction resulting in an individual's transfer of employment from an unrelated entity to the Participating Employer, including, without limitation, a corporate merger or consolidation and a sale of the

assets of a trade or business. Supplemental employer contributions shall be credited to the eligible participants' Employer profit sharing contribution accounts.

2.4 General Limitations. In no event shall a Participating Employer contribute an amount (including salary reduction contributions, matching contributions, supplemental employer contributions and qualified nonelective contributions) for any limitation year (as defined in Section 19.4) which would cause the annual addition limitations in Section 19 to be exceeded. Each contribution to the plan by a Participating Employer shall be conditioned on being deductible under Section 404 of the Code for the plan year for which such contribution is made. The initial contribution to the plan shall be conditioned on the plan being qualified under Section 401(a) of the Code.

Section 3. Vesting.

3.1 General. The interest of a participant in his account shall be fully vested at all times.

3.2 Forfeitures. The amounts forfeited pursuant to Section 3.1 shall be combined with the amounts forfeited by all other participants during such plan year. The aggregate of such forfeitures shall be applied as follows:

3.2.1 First, to restore amounts previously forfeited from accounts in accordance with Section 5.4.1; and

3.2.2 Second, to reduce the amount of matching contributions which the Participating Employer is otherwise obligated to make pursuant to Section 2.2.

3.3 Change in Vesting Schedule. If an amendment to the plan directly or indirectly affects the determination of a participant's vested percentage, or the plan is deemed amended by an automatic change to or from the top-heavy vesting schedule in Section 18.2.2, each participant in service with at least 3 years of service may irrevocably elect to have his vested percentage determined without regard to such amendment. The participant may make such election during the period beginning on the date such amendment is adopted and ending on the date that is 60 days after the latest of the date (a) such amendment is adopted; (b) such

amendment is effective; or (c) the Committee advises the participant in writing of such amendment.

3.4 Predecessor Plan. In no event shall the vested percentage of the accrued benefit of a participant on the effective date who was a participant in the predecessor plan immediately preceding such effective date be less than the vested percentage of his accrued benefit under the predecessor plan had such plan continued in effect through the date such vested percentage is determined.

Section 4. Pre-termination Distributions; Loans.

4.1 Hardship Distributions. A participant in service may file a written request with the Committee for a distribution from his salary reduction contribution (before-tax) account due to hardship. A distribution will be on account of hardship only if the distribution is on account of an immediate and heavy financial need of the participant and is necessary to satisfy such financial need. The request must specify the nature of the hardship, the total amount requested, and the total amount of the actual expense incurred or to be incurred on account of the hardship. The Committee, in its discretion, shall determine whether a hardship constitutes an immediate and heavy financial need, and the decision of the Committee to grant or deny a hardship distribution shall be final; provided, that all participants who request such distributions and are similarly situated shall be treated alike and in a nondiscriminatory manner. If the Committee determines that a hardship exists, the Committee shall direct the Trustee to make a distribution to the participant of the amount approved by the Committee. The distribution shall be made in cash from the participant's salary reduction contribution (before-tax) account. The amount available for such distribution shall be determined as of the adjustment date the hardship distribution request is actually processed by the Trustee. In no event shall the amount available for a hardship distribution exceed the amount in the participant's salary reduction contribution (before-tax) account as of such adjustment date (reduced by any previous hardship distribution not reflected as of such adjustment date). Notwithstanding the foregoing, with respect to a participant who was a participant in the United Carolina Bancshares Corporation Dollar Plus

Savings Plan on June 30, 1997, in no event shall the amount available for a hardship distribution exceed the amount in such participant's salary reduction contribution (before-tax account) as of such adjustment date (reduced by any previous hardship distribution not reflected as of such adjustment date). For participants who have not yet attained age 59½, only two hardship withdrawals may be made by a participant during each plan year pursuant to this Section 4.1.

4.1.1 Immediate and Heavy Financial Need. The circumstances giving rise to hardship shall be limited to:

(a) Expenses for (or necessary to obtain) medical care that would be deductible under Section 213(d) of the Code (determined without regard to whether the expenses exceed 7.5% of adjusted gross income);

(b) Costs directly related to the purchase of the principal residence of the participant (excluding mortgage payments);

(c) Expenses for the repair or damage to the participant's principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income);

(d) Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the participant, the participant's spouse, children, or dependents (as defined in Section 152 of the Code without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B) of the Code);

(e) Payments for burial or funeral expenses for the participant's deceased parent, spouse, children or dependent (as defined in Section 152 of the Code without regard to Section 152(d)(1)(B) of the Code); or

(f) Payments necessary to prevent the eviction of the participant from the participant's principal residence or foreclosure on the mortgage on that residence.

(g) Expenses and losses (including loss of income) incurred by the employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the employee's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

4.1.2 Additional Financial Needs. The participant's "primary beneficiary" is an individual who is named as a beneficiary under the plan and has an unconditional right to all or a portion of the participant's account balance upon the participant's death. Effective January 1, 2007, the circumstances giving rise to hardship are expanded to include:

(a) Expenses for (or necessary to obtain) medical care (as defined in Section 213(d) of the Code) for the participant's primary beneficiary (as defined below);

(b) Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the participant's primary beneficiary; or

(c) Payments for burial or funeral expenses for the participant's primary beneficiary.

4.1.3 Amount of Financial Need. A hardship distribution shall not be made in excess of the amount of the immediate and heavy financial need of the participant. The amount of the immediate and heavy financial need of the participant may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the receipt of the hardship distribution.

4.1.4 Additional Requirements. The following special provisions shall apply to all hardship distributions:

(a) No hardship distribution shall be made until the participant has obtained all distributions currently available under all tax-qualified retirement plans of the Participating Employer and its affiliated employers, including, without limitation, distributions pursuant to Sections 4.2, 4.3 and 22.7; and

(b) Any distribution made pursuant to this Section 4.1 shall be withdrawn from the participant's fund accounts (as defined in Section 7.1.1) with respect to his salary reduction contribution (before-tax) account on a pro rata basis. The Committee from time to time may adopt additional policies or rules governing the manner in which hardship distributions are made so that the plan may conveniently be administered.

4.2 Distributions After Age 59½. In accordance with procedures adopted by the Committee, a participant who has attained age 59½ may withdraw all or any portion of his account. The balance in the participant's account available for withdrawal pursuant to the provisions of this Section 4.2 shall be determined as of the date the withdrawal request is actually processed by the Trustee. Any withdrawal made pursuant to this Section 4.2 shall be withdrawn by the Trustee from the participant's fund accounts (as defined in Section 7.1.1) with respect to such account on a pro rata basis.

4.3 Distributions Prior to Age 59½. In accordance with procedures adopted by the Committee, a participant who has not yet attained age 59½ may withdraw all or any portion of his voluntary contribution (after-tax) account, if any, his Employer supplemental matching contribution account, his Employer profit sharing contribution account, if any, his ESOP account, if any, his prior plan account, if any, and his rollover account, if any. For participants who have not yet attained age 59½, only two pre-termination withdrawals may be made by a participant during each plan year under this Section 4.3. Notwithstanding the foregoing, no amount shall be withdrawn from the Employer supplemental matching contribution account, the prior plan account (excluding for this purpose any amount attributable to after-tax employee contributions), his Employer profit sharing contribution account or the ESOP account unless the participant has been a participant in the plan (including for this purpose his participation in the predecessor plan) for at least 60 months or unless the amounts being withdrawn have been in the participant's account (including for this purpose his account maintained under the predecessor plan) for at least 24 months. The balance in the participant's account available for withdrawal pursuant to the provisions of this Section 4.3 shall be determined as of the date the withdrawal request is actually processed by the Trustee. Any withdrawal made pursuant to this Section 4.3 shall be withdrawn by the Trustee from the participant's separate accounts described below in the following order of priority:

4.3.1 voluntary contribution (after-tax) account;

4.3.2 the portion of the participant's prior plan account attributable to after-tax employee contributions and earnings thereon;

4.3.3 the remaining portion of the participant's prior plan account;

4.3.4 Employer profit sharing contribution account;

4.3.5 Employer supplemental matching contribution account;

4.3.6 rollover account; and

4.3.7 ESOP account.

With respect to each such account, the amount of the withdrawal shall be withdrawn by the Trustee from the participant's fund accounts (as defined in Section 7.1.1) with respect to such account on a pro rata basis.

4.4 Loans. The Committee, in accordance with its uniform, nondiscriminatory policy, shall direct the Trustee to permit any participant in service or a participant or beneficiary who is a party-in-interest as defined in Section 3(14) of ERISA (the "borrower"), to borrow from his vested account (excluding for this purpose his PAYSOP account, if any), subject to the following requirements.

4.4.1 Loans shall be withdrawn from the participant's fund accounts (as defined in Section 7.1.1) on a pro rata basis. Loans shall be available to all borrowers on a reasonably equivalent basis. Loans shall not be available to highly compensated participants in an amount greater than to nonhighly compensated participants. In no event shall the principal amount of the loan be less than $1,000. A participant may have only one loan outstanding at any time and only one loan request may be submitted in a plan year. In no event shall a participant be entitled to borrow from his PAYSOP account, if any. Notwithstanding the foregoing, if a participant who was a participant in a predecessor plan that is merged into this plan has more than one loan outstanding under the predecessor plan as of the date of such plan merger, such loans shall remain outstanding and be payable in accordance with their terms.

4.4.2 The Trustee shall provide to each borrower who is approved for a loan a statement of the charges involved in the loan transaction, including the amount financed and the annual interest rate. The borrower shall execute any documents as the Committee deems necessary or advisable to consummate the loan and provide reasonable safeguards.

4.4.3 The principal amount of any loan made to a borrower, when added to the outstanding balance of all loans from the plan, shall not exceed the lesser of:

(a) $50,000, reduced by the excess of: (a) the highest outstanding balance of loans from the plan during the one-year period ending on the day before the date such loan is made, over (b) the outstanding balance of loans from the plan on the date such loan is made; or

(b) One-half of the vested account of the borrower. The vested account shall be determined as of the adjustment date the loan is actually processed by the Trustee.

For the purpose of this limitation, the principal amounts of all loans from all plans of the Participating Employer and affiliated employers shall be aggregated.

4.4.4 Each loan shall require that payment of principal and interest shall be amortized in level payments over a period of not less than 12 months nor more than 60 months from the date of the loan. Each Participating Employer shall establish a procedure for withholding from the regular payroll checks of a participant the amounts necessary to satisfy the repayment obligation under the note. All amounts so withheld shall be transferred immediately to the Trustee. A participant shall be able to make additional voluntary loan repayments to satisfy the repayment obligation under the note, under procedures established by each Participating Employer.

4.4.5 Each loan shall be secured by a pledge of up to 50 percent of the vested account of the borrower, as determined on the date of such loan.

4.4.6 A loan shall bear a reasonable rate of interest determined as of the date of origination of the loan in the manner established by the Committee. The principal amount of the loan shall be an investment allocated solely to the account of the borrower, and the interest paid thereon shall be allocated solely to the account of the borrower.

4.4.7 In addition to the provisions of this Section 4.4, each loan shall be subject to and made in accordance with the Plan loan rules.

4.5 Termination of Service Prior to Distribution. If a participant's termination of service occurs after a request for a hardship distribution or loan is approved in accordance with the provisions of this Section 4 but prior to distribution, such approval shall be void, and the vested account of such participant shall be payable hereunder as if such approval had not been made.

Section 5. Termination Distributions.

5.1 Distributions on Account of Retirement or Disability.

5.1.1 Distributions to participants. As of the adjustment date coincident with or next following the date a participant retires or terminates service on account of disability, his vested account, determined as of such adjustment date, shall be paid to him or applied for his benefit under one of the following options, as elected by the participant:

(a) Term certain. Payment to him of his vested account in approximately equal monthly, quarterly, semi-annual, or annual installments over a term certain, as elected by the participant not to exceed 20 years (the "term") provided that in no event shall monthly installments be less than $100 per month. If the participant dies before expiration of the term, payments shall continue to his beneficiary for the remainder of the term.

(b) Lump sum. Payment to him of his vested account in a single lump sum payment.

(c) Combination of term certain and lump sum. Payment to him of his vested account in any combination of the forms of payment described in (a) and (b) above.

(d) Direct rollover. Payment to an eligible retirement plan as provided in Section 15.

Such election must be made in writing and filed with the Committee on or before the adjustment date as of which payment is to commence.

5.1.2 Applicable provisions. The following provisions shall apply for purposes of this Section 5.1:

(a) Deferral. Subject to the provisions of Sections 5.9 and 5.3.1, a participant's account balance (as defined in Section 5.9.5) shall remain in the plan until the participant elects to receive a distribution of his benefit in accordance with the provisions of this Section 5 and procedures adopted by the Committee.

(b) Form of distribution. Distributions from the plan shall be made in cash. Notwithstanding the foregoing, if a portion of a participant's vested account is invested in Company stock, such participant may direct the Committee to distribute such portion of his accrued benefit in shares of Company stock.

(c) Distributions following return to service. Notwithstanding the foregoing provisions of this Section 5.1, if a participant receiving benefit payments from the plan reenters service prior to his normal retirement date, such payments shall cease during the period he is in service. When he subsequently

retires, dies or otherwise terminates service, his then vested account shall be payable to or with respect to him pursuant to the applicable provisions of the plan.

(d) Direction of investment. If all or any portion of the accrued benefit of a participant is payable to him in installments, such participant shall continue to be eligible to direct the Trustee as to the investment and reinvestment of his accrued benefit pursuant to the provisions of Section 7. His accrued benefit shall continue to be adjusted as of each adjustment date pursuant to Section 6 and the amount of the installment payments to him shall be adjusted as of each year-end adjustment date to reflect the adjusted amount of his accrued benefit as of such adjustment date.

(e) Predecessor plan. Notwithstanding any other provision hereof, if a participant in the predecessor plan is receiving benefits under the predecessor plan as of the effective date, the amount of the benefit payable to such participant and the manner and time for payment thereof shall be determined in accordance with the provisions of the predecessor plan. If a participant in a predecessor plan separated from service prior to the effective date of this plan and is entitled to a deferred benefit commencing after the effective date, the amount of such benefit shall be determined in accordance with the provisions of the predecessor plan, and the manner and time of payment shall be determined under the plan.

(f) Required consent. Subject to the provisions of Section 12.1, any distribution to a participant who has a vested account which exceeds the cash-out limit (as defined in Section 411(a)(11)(A) of the Code) shall require the participant's consent if such distribution is to commence prior to the participant's attainment of normal retirement age. The consent requirements of this Section 5.1.2(f) shall be deemed satisfied if the participant's vested account does not exceed the cash-out limit. If a participant has begun to receive benefit payments in installments and at least one installment payment has not yet been made, the vested account of the participant is deemed to exceed the cash-out limit if his vested account exceeded the cash-out limit in effect as of the date payment of his benefit first commenced.

5.2 Distributions on Account of Death. On the death of the participant, the following provisions shall apply:

5.2.1 Death after distributions begin. If the participant dies after distribution of his vested account has begun, payments shall continue following his death only if his benefit was payable under an option providing for such payments, and any remaining portion of his vested account shall continue to be distributed to his beneficiary at least as rapidly as under the method of distribution in effect at his death.

5.2.2 Death before distributions begin. If the participant dies before distribution of his vested account begins, payment of his vested account to his beneficiary shall commence as of any adjustment date following the date of the participant's death, as

elected by the beneficiary. The participant's vested account shall be payable under a method of payment described in Section 5.1.1, as elected by the beneficiary.

5.3 Special Provisions and Definitions. The following provisions apply for purposes of this Section 5:

5.3.1 Small amount. Notwithstanding any other provision of the plan, if the vested account of a participant does not exceed the cash-out limit (as defined in Section 5.1.2(f)) as of the adjustment date coincident with his termination of service for any reason, including death, then such benefit shall be paid in a lump sum as soon as practicable following such termination of service to the person entitled thereto without regard to any election made by the participant or beneficiary. Effective with respect to distributions made on or after January 1, 2002 and prior to January 1, 2008, the value of such participant's vested account shall be determined without regard to that portion of his vested account that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Code. Effective with respect to distributions made on or after January 1, 2008, the value of such participant's vested account shall be determined taking into account that portion of his vested account that is attributable to such rollover contributions (and earnings allocable thereto). If the value of the participant's vested account as so determined does not exceed the cash-out limit, the participant's entire vested account shall be paid in accordance with this Section 5.3.1. If the vested account of a participant exceeds $1,000 but does not exceed the cash-out limit as of the adjustment date coincident with or next following the date of his termination of service for any reason other than death, and if the participant does not elect to have such benefit paid directly to an "eligible retirement plan" as defined in Section 15.1.2 or to receive such benefit in a lump sum, then the entire vested account of the participant shall be directly transferred to an individual retirement plan (within the meaning of Section 7701(a)(37) of the Code) designated by the Committee.

5.3.2 Designation of beneficiary. The beneficiary or beneficiaries of a participant shall be determined in accordance with the following provisions:

(a) Surviving spouse. If the participant dies leaving a surviving spouse, the participant's beneficiary shall be such spouse unless the participant designates another beneficiary (which may include more than one person, natural or otherwise, and one or more contingent beneficiaries) by filing a qualified election with the Committee. A "qualified election" means a beneficiary designation by the participant on a form provided the Committee, which contains a consent and acknowledgment of the effect of such consent executed by the surviving spouse and witnessed by a representative of the Committee or a notary public. Consent of the spouse shall not be required if the spouse cannot be located or if other circumstances exist which excuse obtaining the consent under applicable law or regulations. The qualified election of a participant may be revoked at any time by action of the participant alone, in which case the surviving spouse shall be the beneficiary. Any other change in beneficiary shall be made

only by the filing of a revised qualified election. If a beneficiary named in a qualified election dies before receiving any payment due him from the trust fund, the payment shall be made to the contingent beneficiary, if any, named in the qualified election. If there is no such contingent beneficiary, the payment shall be made to the surviving spouse. If the surviving spouse dies before receiving all payments due under the plan, the remaining payments shall be made to the estate of the surviving spouse.

(b) Other beneficiary. If a participant dies without leaving a surviving spouse, the participant's beneficiary (which may include more than one person, natural or otherwise, and one or more contingent beneficiaries) shall be the beneficiary designated by the participant on the beneficiary designation form filed with the Committee. Designation of a beneficiary under this subparagraph (b) shall be revocable by the participant at any time prior to death. If the participant fails to designate a beneficiary, the benefit of the participant shall be payable to his estate. If a beneficiary is entitled to receive payments from the trust fund and dies before receiving all payments due him, remaining payments shall be made to the contingent beneficiary, if any. If there is no contingent beneficiary, such payments shall be made to the estate of the beneficiary.

(c) Disclaimer. Any beneficiary may disclaim all or any part of the benefit to which such beneficiary is entitled hereunder by filing a disclaimer with the Committee at least 10 days before payment of such benefit is to commence. Such disclaimer shall be made in form satisfactory to the Committee and shall be irrevocable when filed. The benefit disclaimed shall be payable from the trust fund in the same manner as if the beneficiary who filed the disclaimer dies on the date of such filing.

5.3.3 Definitions. For purposes of this Section 5, "life expectancy" means life expectancy and joint and last survivor life expectancy computed by use of the Section 1.401(a)(9)-9 of the Treasury Regulations. Unless otherwise elected by the participant, or spouse, in the case of distributions described in Section 5.2.2, by the time distributions are required to begin, life expectancy shall be recalculated annually. Such election shall be irrevocable as to the participant or spouse. The life expectancy of a nonspouse beneficiary may not be recalculated.

5.3.4 Family Medical Leave Act Absence. If a participant receives an allocation of employer contributions for a plan year or period that includes the participant's Family Medical Leave Act absence, the plan administrator will delay payment of any distribution until the plan administrator is notified that the participant will not or did not return to work from such absence.

5.4 Distributions on Account of Other Termination of Service. The following provisions shall apply if a participant terminates service for reasons other than retirement, disability or death.

5.4.1 Election to receive benefit following termination. The participant may elect to receive his vested account as of any adjustment date following the date of his termination of service for any reason other than retirement, disability or death. The adjustment date as of which payment is to commence shall be referred to herein as his "distribution adjustment date." The manner of distribution shall be determined under the applicable provisions of Section 5.1. The participant's election shall be made on or before the distribution adjustment date in accordance with procedures adopted by the Committee. Such election shall be disregarded if the participant is in service on the distribution adjustment date. The following provisions shall apply if the participant is not fully vested in his accrued benefit as of his distribution adjustment date:

(a) The amount in his account which is not vested shall be forfeited pursuant to Section 3.2.

(b) If he reenters service and repays to the trust the full amount of the distribution received from the trust on or before the earlier of the year-end adjustment date of the plan year in which he incurs his 5th consecutive break in service following termination or the 5th anniversary of the date he reenters service, such repaid amount shall be credited as of the adjustment date coincident with or next following such repayment to the subaccount or subaccounts of the participant from which the distribution was previously made to the participant. Following such repayment, the Trustee shall credit to his subaccount or subaccounts from forfeitures taken as of the adjustment date on or next following the date of repayment, the amount previously forfeited from each such subaccount, if any. If forfeitures are not sufficient to credit this amount to the participant, such amount shall be contributed by the Participating Employer to the Trustee on or before such adjustment date.

5.4.2 Future distribution. If any part of a participant's vested account is not distributed pursuant to Section 5.4.1, it shall be held under the plan until the earlier of his required beginning date (as defined in Section 5.9.5) or the date of his death, whereupon it shall be paid to him or his beneficiary in the same manner as if the participant were then in service. If the vested account of a participant is held in the plan for future payment, the participant shall continue to be eligible to direct the investment and reinvestment of his accrued benefit pursuant to the provisions of Section 7.

5.4.3 Waiver of election period. If a distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply, such distribution may commence less than 30 days after the date the notice required under Section 1.411(a)-11(c) of the Treasury Regulations is given, provided that:

(a) the Committee clearly informs the participant that the participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option); and

(b) the participant, after receiving the notice, affirmatively elects a distribution.

5.5 Directions. In accordance with procedures adopted by the Committee, the Trustee shall be notified of a participant's request for a withdrawal or a loan, retirement, disability, death or termination of service. The Trustee shall be directed to make a distribution to the person or persons entitled thereto from the trust at such time and in such manner as required by the provisions of this Section 5.

5.6 Distributions to Alternate Payees. All rights and benefits, including elections, provided to a participant in the plan shall be subject to the rights afforded to any alternate payee under a qualified domestic relations order. Furthermore, a distribution to an alternate payee shall be permitted if such distribution is authorized by a qualified domestic relations order, even if the affected participant has not separated from service and has not reached the earliest retirement age under the plan. For purposes of this Section 5.6, alternate payee, qualified domestic relations order and earliest retirement age shall have the meaning set forth under Section 414(p) of the Code. In accordance with procedures adopted by the Committee, the expenses and fees incurred by the plan on account of the processing of a qualified domestic relations order may be charged against the account of the participant requesting the qualified domestic relations order.

5.7 Valuation. Notwithstanding any provision in this Section 5 to the contrary, the value of a participant's vested account for purposes of any distribution made pursuant to this Section 5 shall be determined as of the adjustment date such distribution is actually processed by the Trustee, increased for any additional earnings credited to the participant's account following the adjustment date such distribution is actually processed by the Trustee.

5.8 Distributions from Salary Reduction Contribution (before-tax) Accounts, Employer Basic Matching Contribution Accounts and QNEC Accounts. Notwithstanding anything to the contrary contained elsewhere in the plan, a participant's salary reduction contribution (before-tax) account, Employer basic matching contribution account, if any, and QNEC account, if any, shall not be distributable other than upon:

5.8.1 The participant's severance from employment (as defined in Section 1.401(k)-1(d)(2) of the Treasury Regulations), death, or disability;

5.8.2 Termination of the plan without establishment or maintenance of another alternative defined contribution plan other than an employee stock ownership plan as defined in Section 4975(e)(7) or 409(a) of the Code, a simplified employee pension plan as defined in Section 408(k) of the Code, a SIMPLE IRA plan as defined in Section 408(p) of the Code, a plan or contract that satisfies the requirements of Section 403(b) of the Code, or a plan that is described in Section 457(b) or (f) of the Code;

5.8.3 The participant's attainment of age 59½, or

5.8.4 The participant's hardship (as defined in Section 4.1).

For purposes of clause 5.8.1 above, a participant's change in status from an employee to a leased employee is not treated as a severance from employment that would entitle the participant to receive a distribution pursuant to clause 5.8.1. Notwithstanding anything to the contrary contained herein, a plan termination shall not be treated as described in clause 5.8.2 above with respect to any participant unless the participant receives a lump sum distribution (as defined in Section 401(k)(10)(B)(ii) of the Code) by reason of the plan termination.

5.9 Required Minimum Distributions. Notwithstanding anything to the contrary contained in the plan, all distributions under this Section 5 shall be determined and made in accordance with Section 401(a)(9) of the Code, including the minimum distribution incidental benefit requirement of Section 401(a)(9)(G) of the Code.

5.9.1 General Rules.

(a) Effective Date. The provisions of this Section 5.9 shall apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(b) Precedence. The requirements of this Section 5.9 shall take precedence over any inconsistent provisions of the plan.

(c) Requirements of Treasury Regulations Incorporated. All distributions required under this Section 5.9 shall be determined and made in accordance with Section 401(a)(9) of the Code and the Treasury Regulations thereunder.

(d) TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Section 5.9, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act ("TEFRA") and the provisions of the plan that relate to section 242(b)(2) of TEFRA.

5.9.2 Time and Manner of Distribution.

(a) Required Beginning Date. The participant's entire interest will be distributed, or begin to be distributed, to the participant no later than the participant's required beginning date.

(b) Death of Participant Before Distributions Begin. If the participant dies before distributions begin, the participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the participant's surviving spouse is the participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained age 70½, if later.

(ii) If the participant's surviving spouse is not the participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

(iii) If there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iv) If the participant's surviving spouse is the participant's sole designated beneficiary and the surviving spouse dies after the participant but before distributions to the surviving

spouse begin, this Section 5.9.2(b), other than Section 5.9.2(b)(i), will apply as if the surviving spouse were the Participant.

For purposes of this Section 5.9.2(b) and Section 5.9.4, unless Section 5.9.2(b)(iv) applies, distributions are considered to begin on the participant's required beginning date. If Section 5.9.2(b)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 5.9.2(b)(i). If distributions under an annuity purchased from an insurance company irrevocably commence to the participant before the participant's required beginning date (or to the participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 5.9.2(b)(i)), the date distributions are considered to begin is the date distributions actually commence.

(c) Forms of Distribution. Unless the participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 5.9.3 and 5.9.4. If the participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury Regulations thereunder.

5.9.3 Required Minimum Distributions During Participant's Lifetime.

(a) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(i) the quotient obtained by dividing the participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the participant's age as of the participant's birthday in the distribution calendar year; or

(ii) if the participant's sole designated beneficiary for the distribution calendar year is the participant's spouse, the quotient obtained by dividing the participant's account balance by the number in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the participant's and spouse's attained ages as of the participant's and spouse's birthdays in the distribution calendar year.

(b) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section 5.9.3 beginning with the first distribution calendar year and up to and

including the distribution calendar year that includes the participant's date of death.

5.9.4 Required Minimum Distributions After Participant's Death.

(a) Death on or After Date Distributions Begin.

(i) Participant survived by designated beneficiary. If the participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the participant's death is the quotient obtained by dividing the participant's account balance by the longer of the remaining life expectancy of the participant or the remaining life expectancy of the participant's designated beneficiary, determined as follows:

(1) The participant's remaining life expectancy is calculated using the age of the participant in the year of death, reduced by one for each subsequent year.

(2) If the participant's surviving spouse is the participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the participant's surviving spouse is not the participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the participant's death, reduced by one for each subsequent year.

(ii) No designated beneficiary. If the participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the participant's death is the quotient obtained by dividing the participant's account balance by the participant's remaining life expectancy calculated using the

age of the participant in the year of death, reduced by one for each subsequent year.

(b) Death Before Date Distributions Begin.

(i) Participant survived by designated beneficiary. If the participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the participant's death is the quotient obtained by dividing the participant's account balance by the remaining life expectancy of the participant's designated beneficiary, determined as provided in Section 5.9.4(a).

(ii) No designated beneficiary. If the participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the participant's death, distribution of the participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the participant's death.

(iii) Death of surviving spouse before distributions to surviving spouse are required to begin. If the participant dies before the date distributions begin, the participant's surviving spouse is the participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 5.9.2(b)(i), this Section 5.9.4(b) will apply as if the surviving spouse were the participant.

5.9.5 Definitions.

(a) Designated Beneficiary. The individual who is designated as the beneficiary under Section 5.3.2 of the plan and is the designated beneficiary under Section 401(a)(9) of the Code and Treasury Regulation Section 1.401(a)(9)-4.

(b) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the participant's required beginning date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 5.9.2(b). The required minimum distribution for the participant's first distribution calendar year will be made on or before the participant's required beginning date. The required minimum distribution for other distribution calendar years, including

the required minimum distribution for the distribution calendar year in which the participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(c) Life Expectancy. Life expectancy as computed by use of the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9.

(d) Participant's Account Balance. The account balance as of the last adjustment date in the calendar year immediately preceding the distribution calendar year ("valuation calendar year") increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the adjustment date and decreased by distributions made in the valuation calendar year after the adjustment date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(e) Required Beginning Date. April 1 of the calendar year following the later of (A) the calendar year in which the participant attains age 70½ or (B) the calendar year in which the participant retires. Notwithstanding the foregoing, the required beginning date of a participant who is a 5 percent owner (as defined in Section 416 of the Code) shall be April 1 of the calendar year following the calendar year in which the participant attains age 70½.

5.9.6 2009 Required Minimum Distributions. Notwithstanding any other provision of the Plan, a participant or beneficiary who would have been required to receive a required minimum distribution with respect to 2009 but for the enactment of Section 401(a)(9)(H) of the Code (a "2009 RMD") and who would have satisfied that requirement by receiving a distribution that is (a) equal to the 2009 RMD, or (b) one or more payments in a series of substantially equal distributions (that include the 2009 RMD) made at least annually and expected to last for the life (or life expectancy) of the participant and the participant's designated beneficiary, or for a period of at least ten years (an "Extended 2009 RMD"), shall receive such distribution for 2009, unless the participant or beneficiary chooses not to receive such distribution. Each participant and beneficiary described in the preceding sentence shall be given the opportunity to elect to stop receiving any distribution described in the preceding sentence. For purposes of this Section 5.9.6 of the Plan, neither a 2009 RMD nor an Extended 2009 RMD shall be treated as an eligible rollover distribution under Section 15.1.1 of the Plan.

Section 6: Adjustment of Accounts.

The Committee shall establish and maintain a salary reduction contribution (before-tax) account, an Employer basic matching contribution account and an Employer supplemental matching contribution account with respect to each participant. The Committee

shall also establish and maintain a voluntary contribution (after-tax) account, an Employer profit sharing contribution account, an ESOP account, a PAYSOP account, a prior plan account, a QNEC account, a loan account, and a rollover account with respect to each participant if any one or more of such accounts are required by the plan. The Committee shall also keep an allocation suspense account if such account is required pursuant to Section 19.2.

6.1 Adjustment of Accounts. The account of each participant shall be valued daily as of each adjustment date in accordance with the provisions of this Section 6.1 and procedures adopted by the Trustee. Thereafter, when the participant's account is credited with an allocation of any salary reduction contributions, matching contributions, supplemental employer contributions, qualified nonelective contributions, direct transfers from another qualified plan or rollover contributions, the value of such allocation shall be used to purchase units (or shares of Company Stock in accordance with the participant's investment direction) and added to such participant's account. When any distributions, participant loans, withdrawals, transfers between investment funds, and/or administrative fees are charged against the participant's account in accordance with the terms of the plan, the number of units equal in value to the amount paid from the participant's account shall be deducted from the outstanding units.

6.2 Loan Account. Notwithstanding the provisions of this Section 6, the portion of the account of a participant attributable to a loan made pursuant to Section 4.4 shall be maintained in a special loan account on behalf of the participant. The loan account shall be a part of the account of the participant, and there shall be credited to the loan account any payments of principal or interest made with respect to such note. As of the close of business on each adjustment date, any cash balances in the loan account shall be debited to the loan account and shall be allocated among the investment funds in accordance with the most recent effective future contribution investment direction of the participant. If for any reason a participant does not have a future contribution investment direction in effect, such proceeds shall be invested by the Trustee in the investment fund designated by the Committee.

6.3 General. The Committee shall have and may exercise all powers necessary or advisable in order to implement the provisions of this Section 6 and to ensure that the accounts maintained under the plan are fairly and accurately adjusted as of each adjustment date.

Section 7. Participant Direction of Investments.

7.1 Participant Directed Investments. Notwithstanding any other provision of the plan but subject to the provisions of Section 6, each participant may direct the Trustee as to the investment or reinvestment of his account, subject to the following provisions:

7.1.1 Investment funds; fund accounts. The Committee shall determine from time to time the investment options ("investment funds") available to participants. Each participant shall be entitled to direct the Trustee as to the investment of contributions made on his behalf and the amount credited to his account among the investment funds. The Committee shall keep accounts subsidiary to each participant's separate accounts described in Section 1.1 (other than the loan account) with respect to the amount to his credit in each investment fund, the "fund accounts."

7.1.2 Investment of contributions. In accordance with procedures adopted by the Committee, a participant may direct investment of any contribution allocable to his account among the investment funds in whole multiples of 1 percent. Such designation shall remain in effect unless and until the participant provides for a different designation.

7.1.3 Investment of account. Subject to the provisions of Section 22.6, in accordance with procedures adopted by the Committee, a participant shall be entitled to reallocate the amount credited to his account or each of his fund accounts among the investment funds in whole multiples of 1 percent.

7.1.4 Notice requirements. In accordance with procedures adopted by the Committee and the Trustee, the participants shall notify the Trustee of all directions made in accordance with this Section 7.1.

7.1.5 Rights in directed investment funds. Notwithstanding the fact that all or a portion of a participant's account may be invested in an investment fund and may be expressed in units in a particular investment fund, such references shall mean the aggregate of the dollar amount which is credited to the participant's account at any point in time. Nothing contained in this Section 7 shall be deemed to give any participant any interest in any specific property in any investment fund or any interest in the plan, other than the right to receive payments or distributions in accordance with the plan or to exercise any other right specifically granted to the participant under the plan.

7.1.6 Proxy voting.

(a) Participants shall be entitled to direct the Trustee as to the manner in which shares of any investment fund in which their accounts are invested shall be voted; provided, however, that the Committee may vote such shares if it deems necessary and appropriate and doing so is not inconsistent with applicable law.

(b) A participant whose account is invested in an investment fund which invests solely in shares of Company stock (his "Company stock fund account") or who has an ESOP account or a PAYSOP account shall be entitled to direct the Trustee as to the manner in which shares of Company stock allocated as of a record date to his Company stock fund account, his ESOP account and his PAYSOP account shall be voted, or shall be tendered in the event of a tender offer for such shares. The Trustee shall vote or tender such shares of Company stock as directed by the participant. If the participant instructions are not timely received with respect to such shares, the Trustee shall vote or tender such shares proportionately based upon the other votes the Trustee timely receives. The Committee shall provide for the solicitation and tabulation of voting or tender instructions from participants in a confidential manner. Prior to the voting or tendering of such shares, the Committee shall distribute to each participant who has a Company stock fund account, an ESOP account or a PAYSOP account the same information as is furnished to the shareholders of the Company in a proxy statement.

7.2 General. The Committee may establish any rules or resolutions necessary to implement the provisions of this Section 7. The Trustee shall have and may exercise all powers necessary or advisable in order to implement the provisions of this Section 7. If the Trustee cannot transfer funds among the investment funds on an adjustment date as provided in this Section 7, the Trustee shall effect such transfer as soon as possible thereafter.

Section 8. Administration by Committee.

8.1 Membership of Committee. The Committee shall consist of not less than 3 individuals appointed by the Compensation Committee, including the chairperson of the Committee among its members. The chairperson may appoint a secretary who will not be a Committee member. Any member of the Committee may resign, and his successor, if any, shall be appointed by the Compensation Committee. The Committee shall be responsible for the general administration and interpretation of the plan and for carrying out its provisions except to the extent all or any of such obligations specifically are imposed by the Plan or Trust on the

Trustee or the Board. The Committee shall be the plan administrator, and the Chairman of the Committee shall be the agent for service of legal process on the plan.

8.2 Subcommittee. The Committee may appoint from its membership such subcommittees with such powers as the Committee determines and may authorize one or more of its members or any agent to execute or deliver any instrument or make any payment on behalf of the Committee.

8.3 Committee Meetings. The Committee shall hold regular meetings, in person or otherwise, at such times and places as the Committee determines.

8.4 Transaction of Business. A majority of the members of the Committee at the time in office shall constitute a quorum for the transaction of business. All resolutions or other actions taken by the Committee at any meeting shall be by vote of a majority of those present and entitled to vote at any such meeting. Resolutions may be adopted or other action taken without a meeting upon written consent of a majority of the members of the Committee.

8.5 Committee Records. The Committee shall maintain full and complete records of its deliberations and decisions. The minutes of its proceedings shall be conclusive proof of the facts of the operation of the plan. The records of the Committee shall contain all relevant data pertaining to individual participants and their rights under the plan and in the trust fund.

8.6 Establishment of Rules. Subject to the limitations of the plan and ERISA, the Committee from time to time may establish rules or bylaws for administration of the plan and transaction of its business.

8.7 Conflicts of Interest. No individual member of the Committee shall have any right to vote or decide on any matter relating solely to himself or his rights or benefits under the plan (except that such member may sign unanimous written consent to resolutions adopted or other action taken without a meeting), except for elections as to payment of benefits.

8.8 Correction of Errors. The Committee may correct errors and, so far as practicable, may adjust any benefit or credit or payment accordingly. The Committee in its discretion may waive any notice requirement in the plan; provided, that a waiver of a requirement to notify the Trustee shall be made only with the consent of the Trustee. A waiver of notice in one case shall not be a waiver of notice in any other case. Any power or authority the Committee has discretion to exercise under the plan shall be exercised in a nondiscriminatory manner.

8.9 Authority to Interpret Plan. Subject to objective plan terms and the claims procedure set forth in Section 14, the plan administrator shall have the duty and discretionary authority to interpret and construe the provisions of the plan, make factual determinations, and decide any dispute which may arise regarding the rights of participants hereunder, including the discretionary authority to construe uncertain provisions of the plan and to make determinations as to eligibility for participation and benefits under the plan. Determinations by the plan administrator shall apply uniformly to all persons similarly situated and shall be binding and conclusive upon all interested persons. Such determinations shall only be set aside if the plan administrator is found to have acted arbitrarily and capriciously in interpreting and construing the provisions of the plan.

8.10 Third Party Advisor. The Committee may engage an attorney, accountant or any other technical adviser on matters regarding the operation of the plan and to perform such other duties as may be required in connection therewith. The Committee may employ such clerical and related personnel as it deems requisite or desirable in carrying out the provisions of the plan. The Committee may delegate any one or more of its duties and responsibilities under the plan to any person or persons, including but not limited to, the employees of the Company. The Committee may also allocate duties among Committee members.

8.11 Compensation of Members. No member of the Committee, who receives compensation from the Company for services as a full-time employee, shall receive any fee or compensation for his services as such.

8.12 Committee Expenses. The Committee shall be entitled to reimbursement out of the trust fund for its reasonable expenses properly and actually incurred in the performance of its duties in the administration of the plan; provided, that the Company may pay such expenses.

8.13 Indemnification of Committee. To the maximum extent permitted by ERISA, no member of the Committee personally shall be liable by reason of any contract or other instrument executed by him or on his behalf as a member of the Committee or for any mistake of judgment made in good faith. The Company shall indemnify and hold harmless, directly from its own assets (including the proceeds of any insurance policy the premiums for which are paid from the Company's own assets), each member of the Committee and each other officer, employee, or director of the Company to whom any duty or power relating to the administration or interpretation of the plan is delegated or allocated against any unreimbursed or uninsured cost or expense (including any sum paid in settlement of a claim with the prior written approval of the Board) arising out of any act or omission to act in connection with the plan, unless arising out of such person's own fraud, bad faith, willful misconduct or gross negligence.

8.14 Financial Condition. From time to time, but no less frequently than annually, the Committee shall review the financial condition of the plan and determine the financial and liquidity needs of the plan as required by ERISA. The Committee shall be responsible for adopting an investment policy statement for the plan.

Section 9. Management of Funds and Amendment of Plan.

9.1 Fiduciary Duties. All assets of the plan shall be held in the trust for the exclusive benefit of participants and their beneficiaries. Such assets shall be administered as a trust fund to provide for the payment of benefits as provided in the plan to participants or their successors in interest out of the income and principal of the trust. All fiduciaries with respect to the plan (as defined in ERISA) shall discharge their duties as such solely in the interest of the participants and their successors in interest and (i) for the exclusive purposes of providing benefits to participants and their successors in interest and defraying reasonable expenses of administering the plan as provided in Section 8.12 of the plan, (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, and (iii) in accordance with the plan and trust agreement, except to the extent such documents may be inconsistent with the then applicable federal laws relating to fiduciary responsibility. The trust fund shall be used for the exclusive benefit of participants and their beneficiaries and to pay the reasonable administrative expenses of the plan and trust. No portion of the trust fund shall ever revert to or inure to the benefit of the Participating Employer or any affiliated employers (except as otherwise provided in Sections 19 and 9.1). Notwithstanding the foregoing provisions of this Section 9.1, the following provisions shall apply:

9.1.1 Initial qualification. If the plan receives an adverse determination with respect to the initial qualification of the plan under Section 401(a) of the Code, on written request of the Company, the Trustee shall return to the Company the amount of such contribution (increased by earnings attributable thereto and reduced by losses attributable thereto) within one calendar year after the date that qualification of the plan is denied; provided, that the application for the determination is made by the time prescribed by law

for filing the Company's federal income tax return for the taxable year in which the plan is adopted or such later date as the Secretary of the Treasury may prescribe;

9.1.2 Disallowed contribution. On written request of the Company, the Trustee shall return a disallowed contribution to the extent the deduction is disallowed under Section 404 of the Code (reduced by losses attributable thereto, but not increased by earnings attributable thereto) to the Company within one year after the date the deduction is disallowed; and

9.1.3 Mistake of fact. If a contribution or any portion thereof is made by the Participating Employer by mistake of fact, on written request of the Company, the Trustee shall return the contribution or such portion (reduced by losses attributable thereto, but not increased by earnings attributable thereto) to such Participating Employer within one year after the date of payment to the Trustee.

9.2 Trust Agreement. The Company, on behalf of each Participating Employer, and the Trustee shall enter into an appropriate trust agreement for the administration of the trust. The trust agreement shall contain such powers and reservations as to investment, reinvestment, control and disbursement of the funds of the trust, and such other provisions not inconsistent with the provisions of the plan and its nature and purposes, as shall be agreed on and set forth therein.

9.3 Authority to Amend. The Board, acting on behalf of the Participating Employers, shall have the right at any time and from time to time to amend or terminate the plan and the trust agreement, provided, that (i) except as provided in Section 9.1, no such amendment or termination may divert the trust funds to purposes other than the exclusive benefit of the participants; and (ii) no such amendment that alters the duties, responsibilities or liabilities of the Trustee may be made unless the Trustee consents thereto in writing. No amendment to the plan shall decrease a participant's accrued benefit as of the date of such amendment within the meaning of Section 411(d)(6) of the Code, except to the extent permitted by Section 411(d)(6) of the Code or the Treasury Regulations thereunder. Notwithstanding the foregoing, and until otherwise decided by the Board, an officer who is an Executive Manager of the Company shall have the authority to amend the plan to (i) comply with changes in laws or government rules or regulations applicable to the plan; (ii) maintain the tax-

qualified status of the plan; (iii) provide for the merger or consolidation of another plan into this plan, or the transfer of the assets or liabilities of another plan to this plan, and, in connection therewith to comply with the provisions of the Treasury Regulations under Section 411(d)(6) of the Code; (iv) revise the Exhibits attached hereto and (v) make any other amendment provided that the financial impact on the Company of such amendment is below the Sarbanes-Oxley materiality threshold as determined by the Company's Chief Financial Officer (or officer with similar authority) as of the time of such amendment. See Section 12 for provisions regarding termination of the plan.

9.4 Requirements of Writing. All requests, directions, requisitions and instructions of the Committee to the Trustee shall be in writing, signed by such person or persons as designated by the Committee.

Section 10. Allocation of Responsibilities Among Named Fiduciaries.

10.1 Duties of Named Fiduciaries. The named fiduciaries with respect to the plan and the fiduciary duties and other responsibilities allocated to each, which shall be carried out in accordance with the other applicable terms and provisions of the plan, shall be as follows:

10.1.1 Board. To appoint and remove trustees under the plan.

10.1.2 Committee.

(a) To interpret the provisions of the plan and determine the rights of participants under the plan, except to the extent otherwise provided in Section 14 relating to the claims procedure;

(b) To administer the plan in accordance with its terms, except to the extent powers to administer the plan specifically are delegated to another named fiduciary or other person or persons as provided in the plan;

(c) To account for the interests of participants in the plan;

(d) To direct the Trustee in the distribution of trust assets;

(e) To monitor whether contributions due and owing to the Plan are timely transmitted to the Trust and for collecting or to direct the Trustee with respect to the collection of any contributions that are not timely transmitted within a reasonable time in accordance with applicable law. For avoidance of doubt, the Committee's responsibility hereunder relates solely to the collection of contributions from Employers only after a legally enforceable obligation to make the contribution arises under applicable law;

(f) To appoint and remove investment managers pursuant to the provisions of the plan and trust agreement and the terms of such appointment may confer upon an investment manager the right to appoint and remove investment managers with respect to the assets committed to its discretion;

(g) To determine from time to time the investment funds to be made available to participants; and

(h) To adopt an investment policy statement for the plan pursuant to Section 8.14.

10.1.3 Plan administrator.

(a) To file such reports as may be required with the United States Department of Labor, the Internal Revenue Service and any other government agency to which reports may be required to be submitted from time to time;

(b) To comply with requirements of the law for disclosure of plan provisions and other information relating to the plan to participants and other interested parties; and

(c) To administer the claims procedure to the extent provided in Section 14.

10.1.4 Trustee.

(a) To invest and reinvest trust assets subject to the provisions of Section 7;

(b) To make distributions to participants as directed by the Committee;

(c) To render annual accountings to the Company as provided in the trust agreement; and

(d) Otherwise to hold, administer and control the assets of the trust as provided in the plan and trust agreement.

10.1.5 Compensation Committee.

(a) The Compensation Committee will be responsible for approving the Charter of the Employee Benefits Plan Committee; and

(b) The Compensation Committee may delegate its responsibilities to the appropriate officers of the Company.

10.2 Co-fiduciary Liability. Except as otherwise provided in ERISA, a named fiduciary shall not be responsible or liable for any act or omission of another named fiduciary with respect to fiduciary responsibilities allocated to such other named fiduciaries. A named fiduciary of the plan shall be responsible and liable only for its own acts or omissions with respect to fiduciary duties specifically allocated to it and designated as its responsibility.

Section 11. Benefits Not Assignable; Facility of Payments.

11.1 Benefits Not Assignable. Except as otherwise provided in Section 5.6 and this Section 11.1, no portion of the accrued benefit of any participant shall be subject in any

manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge. Any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void. No portion of such accrued benefit shall be payable in any manner to any assignee, receiver or trustee, liable for the participant's debts, contracts, liabilities, engagements or torts, or be subject to any legal process to levy upon or attach. Notwithstanding the foregoing, an offset to a participant's accrued benefit against an amount that the participant is ordered or required to pay the plan with respect to a judgment, order, or decree issued, or a settlement entered into, on or after August 5, 1997, shall be permitted in accordance with Sections 401(a)(13)(C) and (D) of the Code.

11.2 Payments to Minors and Others. In the event a distribution is to be made to a minor, the plan administrator may, in its discretion, direct that such distribution be made (a) directly to such person, or (b) to the parent or other legal guardian, or to a custodian under the Uniform Gifts to Minors Act. In the event a distribution is to be made to an adult unable to attend to his affairs for any reason, the plan administrator may, in its discretion, direct that such distribution be made (a) directly to such person, or (b) to the guardian, legal representative or conservator of such person. Any payment pursuant to this Section 11.2 shall be in full satisfaction of all claims by or through the participant to the extent of the amount thereof.

Section 12. Termination of Plan and Trust; Merger or Consolidation of Plan.

12.1 Complete Termination of the Plan. The Company expects to continue the plan indefinitely, but continuance is not assumed as a contractual obligation and each Participating Employer reserves the right at any time by action of its board of directors to terminate the plan as applicable to itself. In the event of full or partial termination of the plan or complete discontinuance of contributions to the plan, all accounts comprising the accounts of affected participants shall be deemed to be fully vested, and the Company shall value the trust fund as of the date of termination. That portion of the trust fund applicable to any Participating Employer for which the Plan has not been terminated shall be unaffected. The accounts of the

participants, former participants and beneficiaries affected by the termination, as determined by the Company, shall be distributed in a lump sum to such participants, former participants or beneficiaries.

12.2 Partial Termination. In the event of a partial termination of the plan, the provisions of Section 12.1 regarding a complete termination shall apply in determining interests and rights of the participants and their beneficiaries with respect to whom the partial termination occurs and to the portion of the trust fund allocable to such participants and beneficiaries.

12.3 Merger or Consolidation. In the event of any merger or consolidation of the plan with any other plan, or a transfer of assets or liabilities of the plan to any other plan (which merged, consolidated or transferee plan is referred to in this Section 12.3 as the "successor plan"), the amount each participant would receive if the successor plan (and this plan, if he has any interest remaining therein) were terminated immediately after the merger, consolidation or transfer shall equal or be greater than the amount he would have received if this plan (and the successor plan, if he had any interest therein immediately prior to the merger, consolidation or transfer) were terminated immediately preceding the merger, consolidation or transfer. From time to time, the Company or one of its affiliated employers will acquire the assets and employees of other companies by corporate merger or otherwise. In connection therewith, the Company or one of its affiliated employers will become the sponsor of the tax-qualified defined contribution plan or plans maintained by the acquired company (the "acquired plans"). From time to time, pursuant to a Retirement Plan Merger Agreement, one or more acquired plans will be merged into this plan. Any Retirement Plan Merger Agreements providing for such plan mergers will be attached hereto as Exhibits C and D. Special provisions that apply to any such merged plan shall be included as part of Exhibit C or D, as applicable.

12.4 Protection of Benefits. No termination, partial termination, merger or consolidation or transfer of assets of the plan shall reduce a participant's accrued benefit within the meaning of Section 411(d)(6) of the Code, except to the extent permitted by Section 411(d)(6) of the Code or the Treasury Regulations thereunder.

Section 13. Communication to Employees.

The Company shall communicate the principal terms of the plan to the participants and beneficiaries in accordance with the requirements of ERISA. The Company shall make available for inspection by participants and their beneficiaries, during reasonable hours at the principal office of the Company and at such other places as may be required by ERISA, a copy of the plan, trust agreement and such other documents as may be required by ERISA.

Section 14. Claims Procedure.

14.1 Filing of a Claim for Benefits. If a participant or beneficiary (the "claimant") believes he is entitled to benefits under the plan that are not being paid to him or accrued for his benefit, he may file a written claim therefor with the plan administrator. If the plan administrator is the claimant, all actions required to be taken by the plan administrator pursuant to this Section 14 shall be taken instead by another member of the Committee designated by the Committee.

14.2 Notification to Claimant of Decision. Within 90 days after receipt of a claim by the plan administrator, or within 180 days if special circumstances require an extension of time, the plan administrator shall notify the claimant of its decision with regard to the claim. If special circumstances require an extension of time, a written notice of the extension shall be furnished to the claimant prior to commencement of the extension setting forth the special circumstances and the date by which the decision will be furnished. If such claim is wholly or partially denied, notice thereof shall be written in a manner calculated to be understood by the claimant and shall set forth: (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent plan provisions on which the denial is based; (iii) a description of any

additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and (iv) an explanation of the procedure for review of the denial, including the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

14.3 Procedure for Review. Within 60 days following receipt by the claimant of notice denying his claim in whole or in part, or, if such notice is not given, within 60 days following the latest date on which such notice timely could have been given, the claimant may appeal denial of the claim by filing a written application for review with the Committee. Following such request for review, the Committee shall fully and fairly review the decision denying the claim. Prior to the decision of the Committee, the claimant shall be given an opportunity to review pertinent documents and receive copies of them, free of charge, and submit issues and comments in writing.

14.4 Decision on Review. The decision on review of a claim denied in whole or in part by the plan administrator shall be made in the following manner:

14.4.1 Notification to claimant of decision. Within 60 days following receipt by the Committee of the request for review, or within 120 days if special circumstances require an extension of time, the Committee shall notify the claimant in writing of its decision with regard to the claim. If special circumstances require an extension of time, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension.

14.4.2 Format and content of decision. The decision on review of a claim that is denied in whole or in part shall set forth (i) specific reasons for the decision written in a manner calculated to be understood by the claimant, (ii) a reference to specific plan provisions on which the decision is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits, and (iv) a statement of the claimant's right to bring an action under ERISA Section 502(a)

14.4.3 Effect of decision. The decision of the Committee shall be final and conclusive.

14.5 Action by Authorized Representative of Claimant. All actions set forth in this Section 14 to be taken by the claimant may be taken by a representative of the claimant duly authorized by him to act on his behalf on such matters. The plan administrator and the Committee may require such evidence as either reasonably deems necessary or advisable of the authority of any such representative to act.

14.6 Delay of Payment. The Committee, in its discretion, may delay payment of an approved claim for a distribution:

14.6.1 To permit a valuation of the account;

14.6.2 To permit any necessary or appropriate liquidation of assets;

14.6.3 If a dispute arises as to the proper distributee;

14.6.4 If the Committee has notice of a domestic relations proceeding that might involve the account;

14.6.5 To receive any necessary information;

14.6.6 For any reason described elsewhere in the plan; or

14.6.7 For any reason provided by ERISA or the Code.

14.7 Overpayments. If it is determined that any benefit paid to or with respect to a participant under the plan should not have been paid, or should have been paid in a lesser amount, written notice thereof will be given to the payee of such amount. The payee will repay the amount of the overpayment in a single lump sum payment. If the payee does not repay such overpayment reasonably promptly, the overpayment will be repaid through one or more deductions from future benefit payments from the plan, or suspension of future benefit payments from the plan, until the amount of the overpayment is repaid.

Section 15. Portability of Participant Accounts.

Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this Section 15, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

15.1 Definitions. The following definitions shall apply for purposes of this Section 15:

15.1.1 Eligible rollover distribution. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; any hardship distribution; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

Furthermore, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code, or, to a qualified plan described in Section 401(a) of the Code or an annuity contract described in Section 403(b) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. An eligible rollover distribution also includes a direct trustee-to-trustee transfer of any portion of a distribution from the account of a deceased participant to an individual retirement account or annuity described in Section 408(a) or (b) of the Code established for the purpose of receiving the distribution on behalf of an individual who is the participant's beneficiary and who is not the participant's surviving spouse.

15.1.2 Eligible retirement plan. An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, a qualified trust described in Section 401(a) of the Code, and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition

of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code. Effective for distributions on or after January 1, 2008, an eligible retirement plan shall also mean a Roth IRA described in Section 408A of the Code.

15.1.3 Distributee. A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the employee or former employee. Effective January 1, 2007, a distributee also includes a beneficiary who is not the employee or former employee's spouse or former spouse.

15.1.4 Direct rollover. A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

15.2 Construction. Notwithstanding anything contained in this Section 15 to the contrary, the provisions of this Section 15 shall at all times be construed and enforced according to the requirements of Section 401(a)(31) of the Code and the Treasury Regulations thereunder, as the same may be amended from time to time.

Section 16. Rollovers.

An eligible employee who receives a distribution of all or part of his interest from a retirement arrangement described in Section 16.6 (including another arrangement maintained by the Company) on the date of distribution may, in accordance with procedures adopted by the Committee, transfer all or a part of such distribution to the Trustee under this plan. The amount so transferred may only include cash, shares of Company stock or other property approved by the Committee. In applying the provisions of this Section 16, the following provisions shall apply:

16.1 Timing. The transfer to the Trustee must occur on or before 60 days following receipt by the eligible employee of such distribution. If such distribution previously was deposited in an individual retirement account or individual retirement annuity as defined in Section 408 of the Code, the transfer must occur on or before 60 days following receipt by the eligible employee of all or any portion of the balance to his credit under such individual retirement account or individual retirement annuity.

16.2 Eligibility. The distribution made to the eligible employee must be an eligible rollover distribution as defined in Section 15.1.1.

16.3 Maximum Amount. The amount transferred to the Trustee shall be limited to the maximum rollover amount as provided in Section 402(c)(2) of the Code.

16.4 Accounting. The amount transferred to the Trustee shall be credited to the eligible employee's rollover account. The assets in the rollover account shall be administered by the Trustee in the same manner as other trust assets.

16.5 Transfers Prior to Becoming a Participant. If an eligible employee who makes such a transfer has not completed the participation requirements of Section 1.32, his rollover account shall represent his sole interest in the plan until he becomes a participant.

16.6 Qualifying Arrangement.

16.6.1 The plan will accept a direct rollover of an eligible rollover distribution from:

(a) a qualified plan described in Section 401(a) or 403(a) of the Code;

(b) an annuity contract described in Section 403(b) of the Code; and

(c) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a State, or any agency or instrumentality of a state or political subdivision of a state.

16.6.2 The plan will accept an eligible employee's contribution of an eligible rollover distribution from:

(a) a qualified plan described in Section 401(a) or 403(a) of the Code;

(b) an annuity contract described in Section 403(b) of the Code; and

(c) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

16.6.3 The plan will accept an eligible employee's contribution of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

16.6.4 In no event shall the plan accept as a rollover contribution any after-tax contributions.

Section 17. Special Provisions Relating to Transfers from Qualified Plans.

With the approval of the Committee and in accordance with procedures adopted by the Committee, the Trustee shall receive and hold as a part of the trust fund assets transferred (the "transferred assets") directly from the trustee or custodian of any other retirement plan (the "transferor plan") that is qualified under Section 401(a) of the Code. Such transferred assets may only include cash or shares of Company stock, except that, in the case of the merger described in Exhibit C, Section 1, the transferred assets may include an in-kind transfer of the investment funds in which the transferred assets were invested before their transfer to this Plan. In applying the provisions of this Section 17, the following provisions shall apply:

17.1 Accounting. The transferred assets of each participant shall be credited to the subaccounts of the participant as described in Section 1.1 as determined by the Committee, taking into account the applicable vesting schedule, the source of the transferred assets, amounts subject to special tax treatment and withdrawal rules. Additional subaccounts shall be established, if required, to accommodate these objectives.

17.2 Liability of Trustee. The Trustee under the plan shall not be liable or responsible for any acts or omissions in the administration of any transferor plan or the trust thereunder of any other person or entity who was trustee, custodian or other fiduciary under such

transferor plan. The Trustee under the plan shall be held harmless from such liability or responsibility.

17.3 Protected Benefits Under Section 411(d)(6) of the Code. The protected benefits of the transferor plan, as defined in Section 411(d)(6) of the Code, shall be preserved with respect to the transferred assets.

17.4 Authority of Committee. To the extent not inconsistent with the provisions of this Section 17, the Committee may make rules or bylaws supplementing and implementing the provisions of this Section 17.

Section 18. Special Top-Heavy Provisions.

The following special provisions shall apply and supersede any conflicting provision in the plan with respect to any plan year in which the plan is determined to be top-heavy (as described in Section 18.1.7). Notwithstanding the foregoing, the top-heavy requirements of Section 416 of the Code and this Section 18 shall not apply in any plan year in which the plan consists solely of a cash or deferred arrangement which meets the requirements of Section 401(k)(12) of the Code and matching contributions with respect to which the requirements of Section 401(m)(11) of the Code are met. Effective January 1, 2008, notwithstanding the foregoing, the top-heavy requirements of Section 416 of the Code and this Section 18 shall not apply in any plan year in which the plan consists solely of a cash or deferred arrangement which meets the requirements of Section 401(k)(13) of the Code and matching contributions with respect to which the requirements of Section 401(m)(12) of the Code are met.

18.1 Definitions. The following definitions shall apply for purposes of this Section 18:

18.1.1 "Company" means the Participating Employer and its affiliated employers.

18.1.2 "Company contributions" for purposes of Section 18.2.1 will include matching contributions to the extent permitted under Section 416 of the Code and the regulations issued thereunder. The preceding sentence shall apply with respect to matching contributions under the plan or, if the plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Matching contributions that are used to satisfy the minimum contribution requirements shall be

treated as matching contributions for purposes of the actual contribution percentage test and other requirements of Section 401(m) of the Code.

18.1.3 "Determination date" means, for any plan year after the first plan year, the last day of the preceding plan year.

18.1.4 "Key employee" means any employee or former employee (including any deceased employee) who at any time during the plan year that includes the determination date was an officer of the Company having annual compensation greater than $130,000 (as adjusted under Section 416(i)(1) of the Code for plan years beginning after December 31, 2002), a 5-percent owner of the Company, or a 1-percent owner of the Company having annual compensation of more than $150,000. For this purpose, annual compensation means compensation within the meaning of Section 415(c)(3) of the Code. The determination of who is a key employee will be made in accordance with Section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder. A non-key employee means any employee who is not a key employee.

18.1.5 "Permissive aggregation group" means the required aggregation group and any other plan or plans of the Company which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

18.1.6 "Required aggregation group" means (i) each qualified plan of the Company in which at least one key employee participates or participated at any time during the plan year containing the determination date or any of the four preceding plan years (regardless of whether the plan has terminated), and (ii) any other qualified plan of the Company which enables a plan described in (i) to meet the requirements of Section 401(a)(4) or 410 of the Code.

18.1.7 "Top-heavy plan" means, for any plan year beginning after December 31, 1983, the plan if any of the following conditions exists:

(a) The top-heavy ratio for the plan exceeds 60 percent and the plan is not part of any required aggregation group or permissive aggregation group.

(b) This plan is a part of a required aggregation group but not part of a permissive aggregation group and the top-heavy ratio for such group exceeds 60 percent.

(c) This plan is a part of a required aggregation group and part of a permissive aggregation group and the top-heavy ratio for the permissive aggregation group exceeds 60 percent.

18.1.8 "Top-heavy ratio" means the following:

(a) If the Company maintains one or more defined contribution plans (including any simplified employee pension plan) and has not maintained any defined benefit plan which during the 5 year period ending on the determination date(s) has or has had accrued benefits, the top-heavy ratio for this plan alone or for the required or permissive aggregation group, as appropriate, shall be a fraction, the numerator of which is the sum of the accrued benefits of all key employees as of the determination date(s) including any part of any accrued benefit distributed in the 1-year period ending on the determination date(s) (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability), and the denominator of which is the sum of all accrued benefits including any part of any accrued benefit distributed in the 1-year period ending on the determination date(s) (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability), both computed in accordance with Section 416 of the Code. Both the numerator and denominator of the top-heavy ratio are increased to reflect any contribution not actually made as of the determination date, but which is required to be taken into account on that date under Section 416 of the Code.

(b) If the Company maintains one or more defined contribution plans (including any simplified employee pension plan) and the Company maintains or has maintained one or more defined benefit plans which during the 5-year period ending on the determination date(s) has or has had any accrued benefits, the top-heavy ratio for any required or permissive aggregation group as appropriate is a fraction, the numerator of which is the sum of accrued benefits under the aggregated defined contribution plan or plans for all key employees, determined in accordance with paragraph (i) above, and the present value of accrued benefits under the aggregated defined benefit plan or plans for all key employees as of the determination date(s), and the denominator of which is the sum of the accrued benefits under the aggregated defined contribution plan or plans for all participants, determined in accordance with paragraph (i) above, and the present value of accrued benefits under the defined benefit plan or plans for all participants as of the determination date(s), all determined in accordance with Section 416 of the Code. The accrued benefits under a defined benefit plan in both the numerator and denominator of the top-heavy ratio are increased for any distribution of an accrued benefit made in the 1-year period ending on the determination date (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability).

(c) For purposes of paragraphs (a) and (b) above, the value of account balances and the present value of accrued benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date, except as provided in Section 416 of the Code for the first and second plan years of a defined benefit plan. The account balances and accrued benefits of a participant who (a) is not a key employee but who was a

key employee in a prior year, or (b) is not credited with at least one hour of service with any employer maintaining the plan at any time during the 1-year period ending on the determination date will be disregarded. Calculation of the top-heavy ratio, and the extent to which distributions, rollovers, and transfers are taken into account shall be made in accordance with Section 416 of the Code. Deductible employee contributions will not be taken into account for purposes of computing the top-heavy ratio. When aggregating plans, the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year. The accrued benefit of a participant other than a key employee shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Company, or (b) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

18.1.9 "Valuation date" means the year-end adjustment date as defined in Section 1.4.

18.2 Top-Heavy Requirements. Notwithstanding the provisions of any Section of the plan (other than this Section 18), the plan must satisfy the following requirements for any plan year in which the plan is a top-heavy plan:

18.2.1 Minimum allocation requirements: Except as otherwise provided in (a) and (b) below, the Company contributions allocated to his account on behalf of any participant who is not a key employee shall not be less than the lesser of 3 percent of such participant's statutory compensation or, if the Company has no defined benefit plan which designates this plan to satisfy Section 416 of the Code, the largest percentage of Company contributions allocated on behalf of any key employee for that year. The minimum allocation shall be determined without regard to any Social Security contribution. This minimum allocation shall be made even though, under other plan provisions, the participant otherwise is not entitled to receive an allocation, or would have received a lesser allocation for the year, because of (i) the participant's failure to complete 1,000 hours of service (or any equivalent provided in the plan), (ii) the participant's failure to make mandatory employee contributions to the plan, or (iii) statutory compensation less than a stated amount. The provisions of this Section 18.2.1 shall not apply: (a) to any participant who was not employed by the Company on the last day of the plan year, or (b) to any participant to the extent the participant is covered under any other plan or plans of the Company that provide that the minimum allocation or benefit requirement applicable to top-heavy plans shall be met in the other plan or plans. The minimum allocation required (to the extent required to be nonforfeitable under Section 416(b) of the Code) shall not be forfeited under Section 411(a)(3)(B) or 411(a)(3)(D) of the Code. If any additional Company contribution is required to be made on behalf of a participant to satisfy the provisions of this Section 18.2.1, such Company contribution shall be allocated to the Employer supplemental matching contribution

account of the participant Notwithstanding the foregoing, if the Company maintains any other defined contribution plan, the Company shall provide a minimum allocation under one such plan equal to 3 percent of statutory compensation for each non-key employee who is entitled to a minimum allocation under each of the plans. The Company may provide that the minimum benefit requirement shall be met in another plan (including another plan that consists solely of a cash or deferred arrangement which meets the requirements of Section 401(k)(12) of the Code and matching contributions with respect to which the requirements of Section 401(m)(11) of the Code are met).

18.2.2 Minimum vesting requirements: The plan's vesting provisions in Section 3.1 satisfy the minimum vesting requirements for any plan year in which the plan is top-heavy.

Section 19. Limitations on Allocations.

Notwithstanding anything in this Section 19 to the contrary, the limitations, adjustments and other requirements prescribed in this Section 19 shall comply with Section 415 of the Code.

19.1 Limitations. Subject to the provisions of Section 19.4, in no event shall the sum of the annual additions to the account of a participant for any limitation year beginning on or after January 1, 2002, under this plan and any other defined contribution plan (as defined in Section 19.4) of the Company, exceed in the aggregate the lesser of: (a) $40,000, referred to herein as the "dollar limitation," or (b) 100 percent of such participant's statutory compensation received during the limitation year, referred to herein as the "statutory compensation limitation." The statutory compensation limitation shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an annual addition. The amount of the dollar limitation shall be adjusted in accordance with the Code to reflect increases in the cost of living. If the limitations provided in this Section 19.1 would be exceeded for any limitation year with respect to any participant, any required reduction in the annual additions to his account shall be made as provided in Section 19.2.

19.2 Adjustments. Any method used to correct excess annual additions shall comply with the final Treasury Regulations under Section 415 of the Code and to the extent required thereunder, the Employee Plans Compliance Resolution System ("EPCRS").

19.3 Limitation for Multiple Defined Contribution Plan Participation. If a participant is covered by any other qualified defined contribution plan (whether or not terminated) maintained by the Company concurrently with the plan, and if the annual addition for the limitation year would otherwise exceed the amount that may be applied for the participant's benefit under the limitation contained in Section 19.1, such excess will be reduced first by applying the procedures set forth in Section 19.2 and, if the limitation contained in Section 19.1 is still not satisfied, such excess shall be reduced in accordance with procedures applicable under such other plan.

19.4 Definitions. For the purpose of applying the rules of this Section 19, the following definitions shall apply:

19.4.1 The "**Limitation year**" shall be the plan year.

19.4.2 The "**Annual addition**" shall be amounts described in Treasury Regulation section 1.415(c)-1(b);

19.4.3 "**Defined contribution plan**" means a plan within the meaning of Treasury Regulation section 1.415(c)-1(a)(2).

19.4.4 Any "**affiliated employer**" shall be considered to be the Company; provided that for the purposes of this Section 19, determination of the members of a controlled group of employers and employers under common control pursuant to Sections 414(b) and (c) of the Code shall be made by substituting the phrase "more than 50 percent" for the phrase "at least 80 percent" where it appears in such Sections of the Code.

Section 20. Parties to the Plan; Transfers of Employees.

As of August 1, 2020, the employers listed on Exhibit B are employer-parties to the plan. By separate agreement with the Company, one or more additional employers may become parties to the plan. Effective August 1, 2020, participating employers may be added or removed by separate agreement with a Senior Executive Vice President of the Company. The following provisions shall apply to all parties to the plan except as otherwise expressly provided herein or in such separate agreement:

20.1 Application of Plan and Trust Agreement. The plan shall apply as a single plan with respect to each Participating Employer as if it were only one employer-party.

20.2 Service with a Participating Employer. Service for purposes of the plan shall be interchangeable among each Participating Employer and shall not be deemed interrupted or terminated by the transfer at any time of an employee from the service of one Participating Employer to service of another Participating Employer. In addition, service as an ineligible employee shall be taken into account in determining an employee's eligibility to become a participant and his vested account under the plan.

20.3 Contributions by each Participating Employer. Notwithstanding any provision of the plan to the contrary, the following special provisions shall apply:

20.3.1 Salary reduction contributions to the plan with respect to each Participating Employer shall be determined and paid separately by each Participating Employer in accordance with the provisions of the plan applicable to such Participating Employer. If a participant is in the service of more than one Participating Employer during a plan year, each such Participating Employer shall be responsible for any salary reduction contribution to be made to the plan pursuant to the participant's deferral election with respect to the compensation paid by such Participating Employer to such participant. If a participant who is eligible to make salary reduction contributions to the plan pursuant to Section 2.1 is transferred to ineligible employee status, he shall not be entitled to make any additional salary reduction contributions to the plan on or after the first payroll date which commences on or after the date he is transferred to ineligible employee status. If an individual who is not eligible to make salary reduction contributions to the plan pursuant to Section 2.1 is transferred to eligible employee status, he shall be entitled to make salary reduction contributions to the plan pursuant to Section 2.1 on and after the date he is transferred to eligible employee status.

20.3.2 Matching contributions to the plan with respect to each Participating Employer shall be determined and paid separately by each Participating Employer in accordance with the provisions of the plan applicable to such Participating Employer. If a participant is in the service of more than one Participating Employer during a plan year, each such Participating Employer shall be responsible for any matching contributions to be made on behalf of such participant with respect to the salary reduction contributions made by such Participating Employer on behalf of such participant and the compensation paid by such Participating Employer to such participant. If a participant who is eligible to receive an allocation of matching contributions pursuant to Section 2.2 is transferred to ineligible employee status, he shall not be entitled to receive an allocation of matching contributions pursuant to Section 2.2 on or after the date he is transferred to ineligible employee status. If an individual who is not eligible to receive an allocation of matching contributions pursuant to Section 2.2 is transferred to eligible employee status, he shall be entitled to receive an allocation of matching contributions pursuant to Section 2.2 on and after the date he is transferred to eligible employee status.

20.4 Authority of Board. Except as otherwise provided in Section 9.3, the Board shall have the power to amend or terminate the plan and trust agreement as applied to each Participating Employer and the proper officers of each Participating Employer shall be authorized to execute all documents and take all other actions as shall be deemed necessary or advisable to effectuate and carry out any such amendment as applied to such party.

Section 21. Compliance with the Uniformed Services Employment and Reemployment Rights Act of 1994.

Notwithstanding any provision of the plan to the contrary, the following special provisions shall apply with respect to a participant's reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"):

21.1 Treatment of USERRA Contributions. Any contributions (the "USERRA contributions") made to the plan by the Participating Employer or a participant by reason of such participant's reemployment rights under USERRA, shall not be subject to the maximum dollar limit in Section 2.1.1 or the annual addition limitations in Section 19, and shall not be taken into account in applying such limitations to other contributions under the plan or any other plan, with respect to the plan year in which such USERRA contributions are made. USERRA contributions shall, however, be subject to such limitations with respect to the plan

year to which the USERRA contributions relate. The plan shall not be treated as failing to meet the requirements of Sections 401(a)(4), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 410(b) or 416 of the Code by reason of the USERRA contributions.

21.2 Rights with Respect to Salary Reduction Contributions.

21.2.1 A participant who is entitled to reemployment rights under USERRA may elect to make additional salary reduction contributions (the "make-up contributions") to the plan during the period which begins on the date such participant reenters service with the Participating Employer and has the same length as the lesser of (i) the product of 3 and the period of the participant's qualified military service which resulted in such rights, and (ii) 5 years. The maximum amount of the make-up contributions a participant may make to the plan pursuant to this Section 21.2 shall be the maximum amount that the participant could have made to the plan during the period of the participant's qualified military service if the participant had continued in service during such period and continued to receive his compensation from the Participating Employer. Proper adjustment shall be made to the amount determined under the preceding sentence for any salary reduction contributions actually made by the participant during his period of qualified military service.

21.2.2 With respect to each participant who actually makes make-up contributions to the plan, the Participating Employer shall contribute to the trust under the plan the matching contributions with respect to such make-up contributions that would have been required by Section 2.2 had such make-up contributions been made during the period of the participant's qualified military service.

21.2.3 Earnings shall not be credited to any contributions made pursuant to this Section 21 until such contributions are actually received by the plan.

21.3 Special Service Crediting Rules. A participant entitled to reemployment rights under USERRA shall not be treated as having incurred a break in service by reason of such participant's period of qualified military service. Each period of qualified military service shall be treated as service for purposes of determining such participant's vested account.

21.4 Loans. If a participant who is entitled to reemployment rights under USERRA has a plan loan outstanding, loan repayments may be suspended during his period of qualified military service.

21.5 Provisions With Respect to Military Service.

21.5.1 Notwithstanding any provision of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Code.

21.5.2 Notwithstanding any provision of the Plan to the contrary, if a participant dies while performing qualified military service (as defined in Section 414(u) of the Code), effective January 1, 2007, for purposes of determining whether a surviving spouse, alternate payee, beneficiary or other survivor of the deceased participant may be entitled to any benefits that may be payable under the Plan on account of the participant's death, the participant shall be deemed to have returned to employment as of the day preceding his date of death. The provisions of this Section 21.5.2 are intended to comply with the requirements of Section 401(a)(37) of the Code, and shall be interpreted and applied by the Plan Administrator so as to comply with such requirements.

21.5.3 Notwithstanding any provision of the Plan to the contrary, effective January 1, 2009, no differential wage payments (as defined in Section 3401(h)(2) of the Code) shall be considered as compensation of a participant for any purpose of the Plan that would result in additional contributions being made on behalf of a participant under the Plan.

21.5.4 Effective August 1, 2020, a participant shall be permitted to make a Qualified Reservist Distribution within the meaning of Section 72(t)(2)(G)(iii) of the Code if he or she is a member of a military reserve component as defined in 37 U.S.C. section 101 and is ordered or called to active duty for a period in excess of 179 days or for an indefinite period. An eligible participant may receive a Qualified Reservist Distribution during the period beginning on the date of his or her call to duty, and ending on the date when his or her period of active duty ends. The Plan will provide the participant a notice that (1) at any time within two years after the end of his or her active duty, he or she may make one or more contributions to an IRA in an aggregate amount not to exceed the amount of his or her Qualified Reservist Distribution, (2) the dollar limitations otherwise applicable to IRA contributions do not apply, (3) he or she may not take an income tax deduction for the IRA contribution, and (4) Qualified Reservist Distributions are not subject to the 10% early withdrawal penalty tax.

21.6 Definitions. The following definitions shall apply for purposes of this Section 21:

21.6.1 "Qualified military service" means any service in the uniformed services (as defined in USERRA) by any participant if such participant is entitled to reemployment rights under USERRA with respect to such service.

21.6.2 "Compensation" means the compensation the participant would have received during his period of qualified military service if the participant were not in qualified military service, determined based on the rate of pay the participant would have received from the Participating Employer but for his absence during his period of qualified military service. If the compensation the participant would have received

during such period is not reasonably certain, compensation shall mean the participant's average compensation from the Participating Employer during the 12-month period immediately preceding his qualified military service (or, if shorter, the period of service immediately preceding his qualified military service).

21.7 Construction. Notwithstanding anything contained in this Section 21 to the contrary, the provisions of this Section 21 shall at all times be construed and enforced according to the requirements of USERRA and Section 414(u) of the Code.

Section 22. Special Provisions Applicable to ESOP.

Notwithstanding any provision of the plan to the contrary, the following special provisions shall apply to the ESOP:

22.1 Investment. The ESOP is an unleveraged employee stock ownership plan under Section 4975(e)(7) of the Code and Section 407(a)(6) of ERISA that invests primarily in Company stock.

22.2 Distributions. Distributions from the ESOP shall be made in cash. Notwithstanding the foregoing and consistent with Section 5.1.2(b) of the plan, a participant or beneficiary may direct the Committee to distribute his ESOP accounts, his PAYSOP account and his Company stock fund accounts in shares of Company stock.

22.3 Restrictions on Company stock. No Company stock shall be subject to a put, call or other option or any buy-sell or similar arrangement while such stock is held by and distributed from the ESOP.

22.4 Proxy Voting The ESOP accounts, PAYSOP accounts and Company stock fund accounts shall be subject to the pass-through voting requirements set forth in Section 7.1.6.

22.5 Valuations. All purchases of Company stock by the ESOP shall be made at a price not in excess of fair market value. All sales of Company stock by the ESOP shall be made at a price not less than fair market value. For all purposes of the ESOP, the fair market value of Company stock shall be the price of the Company stock prevailing on a national securities exchange which is registered under Section 6 of the Securities Exchange Act of 1934. Fair market value shall be determined as of the applicable date of the transaction.

22.6 Diversification. Each participant may elect, in accordance with procedures adopted by the Committee, to have the Company stock allocated to his ESOP account, his PAYSOP account and his Company stock fund accounts liquidated and invested in one or more of the investment funds made available to participants pursuant to the provisions of Section 7.1.1. The unlimited investment discretion provisions of Section 7 meets the requirements of Section 401(a)(35) of the Code.

22.7 Dividends. Cash dividends paid to the plan on shares of Company stock allocated to the participant's ESOP account, PAYSOP account and Company stock fund accounts shall be either distributed in cash to the participant not later than 90 days after the close of the plan year in which paid or invested in shares of Company stock, as elected by the participant in accordance with rules and procedures adopted from time to time by the Committee.

22.8 Interpretation; Rules. This Section 22 shall at all times be construed and enforced in accordance with Sections 404(k) and 4975(e)(7) of the Code and the regulations promulgated thereunder. The Committee may establish rules and procedures necessary to implement the provisions of this Section 22.

22.9 Compliance with Securities Laws. Notwithstanding any other provision of the plan, the Committee shall have the authority to establish such rules or bylaws as it deems necessary to ensure that the plan complies with Rule 16b-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (or any successor rule).

Section 23. Special Provisions Regarding Roth Contributions.

The provisions set forth in this Section 23 relate to Roth contributions which may be made under the plan by participants on and after January 1, 2012.

23.1 Roth Contribution Elections. The provisions of this Section 23 are effective for salary reduction elections on or after January 1, 2012. Any participant who files a salary reduction election regarding his compensation under Section 2.1 may designate that all or a portion of his salary reduction contributions (including any catch-up contributions pursuant to Section 414(v) of the Code for which the participant is eligible) are to be treated as Roth contributions under this plan.

Any such designation by a participant is irrevocable once the salary reduction provided for therein has been effected. Any such designation may be prospectively amended or revoked if the participant files a new salary reduction election in accordance with Section 2.1.3.

In the event that the plan ever provides for automatic enrollment through default salary reduction elections, such default salary reduction elections shall not be deemed to have elected that any portion of the participant's salary reduction contributions shall be treated as Roth contributions.

23.2 Treatment of Roth Contributions as Taxable Income. In the event that a participant makes a Roth contribution election under Section 23.1, the Participating Employer shall include the amount of such Roth contributions in the participant's gross income at the time the participant would have received the Roth contribution amounts in cash if the participant had not elected to have such amounts contributed to the plan as Roth contributions.

23.3 Delivery of Roth Contributions. Roth contributions to the Plan shall be paid by the Participating Employer to the Trustee in accordance with the provisions of Section 2.1.2 applicable to salary reduction contributions.

23.4 Roth Accounts. Any participant's Roth contributions shall be credited to his Roth account that is maintained in accordance with plan provisions. Crediting to the participant's Roth account shall be made in accordance with the provisions of Sections 1 and 2 that are applicable to salary reduction contributions.

In accordance with the provisions of Section 6, investment gains, losses and other credits or debits shall be separately allocated to a participant's Roth account on a reasonable and consistent basis and any withdrawals of Roth contributions shall be debited to a participant's Roth account. The plan shall maintain a record of the participant's aggregate Roth contributions (unadjusted for investment gains or losses) that have not been distributed.

No contributions, other than Roth contributions or forfeitures, shall be allocated to a Roth account. Accordingly, matching contributions that are attributable to Roth contributions shall be allocated to the participant's basic matching contribution account and supplemental matching contribution account pursuant to Section 2.2.1 and shall be subject to all plan provisions relating to such accounts.

23.5 Matching Contributions. Roth contributions under the plan shall be treated as salary reduction contributions of a participant for purposes of determining the participant's entitlement to matching contributions under Section 2.2.1, and other applicable provisions of the plan. Consequently, matching contributions shall be determined without regard to the participant's designation that of all or part of his salary reduction contributions be treated as Roth contributions.

23.6 Contribution Limits and Nondiscrimination Testing. Each participant's Roth contributions shall be considered salary reduction contributions for purposes of the limitations related thereto under the plan in order to comply with Sections 401(a)(30), 401(k)(3), 402(g) and 414(v) of the Code.

If a participant has excess salary reduction contributions (including Roth contributions) made on his behalf for a calendar year that must be distributed under Section 2.1.1 pursuant to Section 402(g) of the Code, the participant may designate the extent to which his distribution of excess elective contributions shall be comprised of Roth contributions and/or salary reduction contributions. If the participant does not make a designation, the participant's Roth contributions shall be distributed before any salary reduction contributions are distributed.

If a participant has salary reduction contributions (including Roth contributions) made on his behalf for a plan year and elects to receive a distribution of "excess elective deferrals" pursuant to Section 2.1.1, the participant may designate the extent to which his repaid excess elective deferrals shall be comprised of salary reduction contributions and/or Roth contributions. If the participant does not make a designation, the participant's Roth contributions shall be repaid before any salary reduction contributions are repaid.

23.7 Code Section 415 Limits. Roth contributions are treated as contributions for purposes of determining a participant's annual additions under Section 19 and shall be subject to the limitations on annual additions under Section 19.

23.8 Vesting. Each participant shall be 100 percent vested in the balance of his Roth account.

23.9 Distributions.

(a) Hardship Withdrawals. A participant's Roth account shall be eligible for a distribution on account of hardship pursuant to Section 4.1. If a participant elects to make a hardship withdrawal from his Roth account, all of the requirements of Section 4.1 must be satisfied; and in accordance with Section 4.1.4(b) of the plan, the participant shall be prohibited from making salary reduction contributions and Roth contributions to the plan for six months.

A participant who has a Roth account and an salary reduction account may elect not to make a hardship withdrawal from his Roth account even if he is making a withdrawal from his salary reduction account; and any such participant also may elect to make a hardship withdrawal from his Roth account without being required to make a hardship withdrawal from his salary reduction account. If a participant does not make an election, the participant's hardship withdrawal will be made first from his salary reduction account first and then, if necessary, his Roth account.

(b) Other Withdrawals. A participant's Roth account shall be eligible for a withdrawal in accordance with the requirements of Section 4.2 (i.e., after attaining age 59½) pursuant to procedures adopted by the Committee.

(c) Loans. Any participant's Roth account shall be taken into account for purposes of determining the participant's eligibility for a loan pursuant to Section 4.4, in accordance with procedures adopted by the Committee.

(d) Distributions Upon Termination From Employment. A participant's Roth account shall be distributable to the participant in accordance with the provisions of Section 5, including the provisions of Section 5.8 regarding the limitations on distributions and Section 5.9 regarding compliance with Section 401(a)(9) of the Code.

23.10 Direct Rollover of Roth Contributions. Notwithstanding the provisions of Section 15, a direct rollover from a Roth account under the plan may only be made to either (i) an account under an applicable retirement plan described in Section 402A(e)(1)(A)

of the Code that is a designated Roth account described in Section 402A(b)(2)(A) of the Code, but only if that other plan agrees to account separately for the amount not includible in the participant's income, or (ii) a Roth IRA described in Section 408A of the Code. Such a direct rollover may be made only to the extent the rollover is otherwise permitted under Section 402(c) of the Code. For purposes of Section 15.1.1 of the plan defining an "eligible rollover distribution", a participant's Roth account will be treated as a separate portion of the plan, and only one transfer will be permitted with respect to the Roth account.

(a) For distributions on or after January 1, 2012, if the distribution is a direct rollover to a designated Roth account (as described in Section 402A(b)(2)(A) of the Code) under an applicable retirement plan (as described in Section 402A(e)(1) of the Code), the Committee will cause to be provided to the administrator of the recipient plan a statement indicating either (A) the first year of the participant's five-taxable-year period of participation and the amount of the direct rollover that is attributable to Roth contributions (unadjusted for investment gains and losses thereon), or (B) that the distribution is a qualified distribution. Such a statement will be provided within 30 days following the direct rollover.

(b) For distributions on or after January 1, 2012, if the distribution is not a direct rollover to a designated Roth account (as described in Section 402A(b)(2)(A) of the Code) under another plan, the Committee will cause to be provided to the participant, upon request, a statement indicating either (A) the amount of the direct rollover that is attributable to Roth contributions (unadjusted for investment gains and losses thereon), or (B) that the distribution is a qualified distribution. Such a statement will be provided within 30 days following the participant's request.

23.11 Other Plan Provisions. Unless otherwise provided in this Section 23, all Roth contributions to the plan shall continue to be treated as elective deferrals to the plan and a participant's Roth account shall be considered an account of the participant that is a separate portion of the participant's vested account under this plan, for all other purposes of this plan.

23.12 Roth Rollover Contributions.

(a) Notwithstanding the provisions of Section 16.6.4, a participant may elect to make a Roth rollover contribution to the plan in accordance with the provisions of this Section 23 and Section 16 as well as procedures established by the Committee. A participant's Roth rollover contribution shall be credited to a

Roth rollover account established under the plan that is part of the participant's vested account under the plan.

(b) Roth rollover contribution to the plan may be made by either of the following methods:

(i) A direct transfer of all or part of a designated Roth account that is maintained for the participant under another retirement plan that is a tax-qualified plan under Section 401(a) of the Code; or

(ii) If the participant has received a cash payment from a designated Roth account, within 60 days of receiving the distribution, the participant may pay to the plan an amount that does not exceed the taxable portion of that distribution.

(iii) The plan will not accept a contribution from a participant's Roth IRA described in Section 408A of the Code.

(c) A direct transfer from another employer's plan that is qualified under Section 401(a) of the Code will not be accepted by the plan unless the administrator of the transferring plan provides a written statement that either:

(i) shows the first year of the five year period described in Section 402A(d)(2)(B) of the Code and the portion of the distribution that consists of the participant's Roth contributions (i.e., the participant's "basis"); or

(ii) states that the distribution to the participant is a "qualified distribution" within the meaning of Section 402A(d)(2) of the Code.

(d) A direct payment by a participant will not be accepted by the plan unless a written statement issued by the plan administrator of the transferring plan is received that either:

(i) shows the first year of the five-year period described in Section 402A(d)(2)(B) of the Code and the portion of the distribution that consists of the participant's Roth contributions (i.e., the participant's "basis"); or

(ii) states that the distribution to the participant is a "qualified distribution" within the meaning of Section 402A(d)(2) of the Code.

(e) A Roth rollover contribution made pursuant to this Section 23.12 will not be deemed to be a contribution of such participant for any purpose of the plan and will be fully vested in the participant at all times.

23.13 Withdrawal from Roth Rollover Account. Any participant who has a Roth rollover account may make a withdrawal from such account at any time, subject to and in accordance with the rules of Section 4.2. Withdrawals from a Roth rollover account may likewise be made after termination from employment in accordance with the rules of Section 5.

Section 24. Special Provisions Regarding In-Plan Roth Conversions.

The provisions set forth in this Section 24 relate to in-plan Roth conversions which may be made under the plan by participants on and after January 1, 2012.

24.1 In-Plan Roth Conversion Elections. The provisions of this Section 24 are effective on and after January 1, 2012 for amounts credited to a participant's account that is available for distribution to the participant under Section 4.2 or Section 4.3, other than Roth contributions or Roth rollover contributions. Any participant may file an in-plan Roth conversion election designating that all or any portion of his account which is eligible for distribution under Section 4.2 or Section 4.3 and which is at least $1,000, is to be transferred and credited to his Roth conversion account.

Any such election by the participant is irrevocable once the elected transfer and conversion has been effected.

24.2 Treatment of In-Plan Roth Conversions as Taxable Income. In the event that a participant makes an in-plan Roth conversion election under Section 24.1, the Participating Employer shall include the amount of the converted subaccounts transferred to the Roth conversion account that would have been includible in the gross income of the participant if it were not part of a qualified rollover contribution permitted under Section 402A(c)(4) of the Code.

24.3 In-Plan Roth Conversion Accounts. Any amounts credited to a participant's Roth conversion account shall be credited with investment gains, losses and other credits or debits separately allocated to it pursuant to the provisions of Section 6 on a reasonable and consistent basis.

24.4 Vesting. Each participant shall be 100 percent vested in the balance of his Roth conversion account.

24.5 Distributions.

(a) Other Withdrawals. A participant's Roth conversion account shall be eligible for a withdrawal in accordance with the requirements of Section 4.2 (i.e., after attaining age 59½) and Section 4.3 pursuant to procedures adopted by the Committee.

(b) Loans. Any participant's Roth conversion account shall be taken into account for purposes of determining the participant's eligibility for a loan pursuant to Section 4.4, pursuant to procedures adopted by the Committee.

(c) Distributions Upon Termination From Employment. A participant's Roth conversion account shall be distributable to the participant in accordance with the provisions of Section 5, including the provisions of Section 5.8 regarding the limitations on distributions and Section 5.9 regarding compliance with Section 401(a)(9) of the Code.

24.6 Direct Rollover of a Roth Conversion Account. Notwithstanding the provisions of Section 15, a direct rollover from a Roth conversion account under the plan may only be made to either (i) an account under an applicable retirement plan described in Section 402A(e)(1)(A) of the Code that is a designated Roth account described in Section 402A(b)(2)(A) of the Code, but only if that other plan agrees to account separately for the amount not includible in the participant's income, or (ii) a Roth IRA described in Section 408A of the Code. Such a direct rollover may be made only to the extent the rollover is otherwise permitted under Section 402(c) of the Code. For purposes of Section 15.1.1 of the plan defining an "eligible rollover distribution", a participant's Roth conversion account will be treated as a separate portion of the plan, and only one transfer will be permitted with respect to the Roth conversion account.

(a) For distributions on or after January 1, 2012, if the distribution is a direct rollover to a designated Roth account (as described in Section 402A(b)(2)(A) of the Code) under an applicable retirement plan (as described in Section 402A(e)(1) of the Code), the Committee will cause to be provided to the administrator of the recipient plan a statement indicating either (A) the first year of the participant's five-taxable-year period of participation and the amount of the direct rollover that is attributable to amounts converted under Section 24.2 (unadjusted for investment gains and losses thereon), or (B) that the distribution is a qualified distribution. Such a statement will be provided within 30 days following the direct rollover.

(b) For distributions on or after January 1, 2012, if the distribution is not a direct rollover to a designated Roth account (as described in Section 402A(b)(2)(A) of the Code) under another plan, the Committee will cause to be provided to the participant, upon request, a statement indicating either (A) the amount of the direct rollover that is attributable to amounts converted under Section 24.2 (unadjusted for investment gains and losses thereon), or (B) that the distribution is a qualified distribution. Such a statement will be provided within 30 days following the participant's request.

Section 25. Miscellaneous Provisions.

25.1 Notices. Each participant who is not in service and each beneficiary shall be responsible for furnishing the Committee with his current address for mailing notices, reports, and benefit payments. Any notice required or permitted to be given to such participant or beneficiary shall be deemed given if directed to such address and mailed by first class mail. If any check mailed to such address is returned as undeliverable to the addressee, mailing of checks shall be suspended until the participant or beneficiary furnishes the proper address. This provision shall not require the mailing of any notice or notification otherwise permitted to be given by posting or other publication.

25.2 Lost Distributees. A benefit shall be deemed forfeited if the Committee is unable after a reasonable period of time to locate the participant or beneficiary to whom payment is due; provided, that such benefit shall be reinstated if a claim is made by or on behalf of the participant or beneficiary for the forfeited benefit.

25.3 Reliance on Data. The Company, Committee, Trustee, and plan administrator may rely on any data provided by a participant or beneficiary, including representations as to age, health, and marital status. Any such data or representation shall be conclusively binding upon such participant or beneficiary, and on any party seeking to claim a benefit through a participant, and such participant, beneficiary or party shall thereafter and forever be estopped from disputing the truth and correctness of such data or representation. The Company, Committee, Trustee and plan administrator shall have no obligation to inquire into the accuracy of any representation made at any time by a participant or beneficiary. Notwithstanding the foregoing, the plan administrator or Committee, as applicable, may direct that the amount of any benefit be adjusted to what would have been payable on the basis of correct information. For all purposes of the plan, any designation or change of beneficiary, distribution election, or other document required under the plan shall become effective only upon receipt by the plan administrator or Committee, as applicable, of such written designation, change or election or other form or document.

25.4 Bonding. Every fiduciary, except a bank or an insurance company, shall be bonded for each plan year to the extent required by ERISA. The bond shall provide protection to the plan against any loss by reason of acts of fraud or dishonesty by the fiduciary alone or in connivance with others. The cost of the bond shall be an expense of the trust and shall be paid by the Trustee subject to the provisions of the trust agreement and of Section 8.12 of the plan.

25.5 Receipt and Release for Payments. Each participant by participating in the plan conclusively shall be deemed to agree to look solely to the assets held under the trust for payment of any benefit to which such participant may be entitled by reason of such participation. Any payment made from the plan to or with respect to any participant or beneficiary, or pursuant to a disclaimer by a beneficiary, shall be in full satisfaction of all claims hereunder against the plan, the Company and all fiduciaries with respect to the plan to the extent of such payment. As a condition precedent to payment, the recipient of any payment from the plan may be required by the Committee to execute a receipt and release with respect thereto in such form as is acceptable to the Committee.

25.6 No Guarantee. The Trustee, Committee, Company and plan administrator in no way guarantee the trust fund from loss or depreciation, nor do they guarantee the payment of any money or other assets from the trust fund that may be or become due to any person. Nothing herein contained shall give any participant or beneficiary an interest in any specific part of the trust fund or any other interest except the right to receive benefits from the trust fund in accordance with the provisions of the plan and trust.

25.7 Headings. The headings and subheadings of the plan are inserted for convenience of reference and shall be ignored in any construction of the provisions hereof.

25.8 Continuation of Employment. The establishment of the plan shall not confer any legal or other right upon any employee or person for continuation of employment, nor shall it interfere with the right of the Participating Employer to discharge any employee or to deal with him without regard to the effect thereof under the plan.

25.9 Construction. The provisions of the plan shall be construed and enforced according to the laws of the State of North Carolina, except to the extent such laws are superseded by the provisions of ERISA.

IN WITNESS WHEREOF, the Truist Financial Corporation 401(k) Savings Plan is, by authority of the Board of Directors of the Company, executed on behalf of the Company, the __15th__ day of ___September_____, 2020.

TRUIST FINANCIAL CORPORATION

By: /s/ Ellen Fitzsimmons
Senior Executive Vice President

TESTING COMPENSATION

1. "**Compensation**" means for any participant the wages, salary and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered by the participant in the course of his service with the Participating Employer to the extent that the amounts are includible in gross income (including but not limited to commissions, compensation for services on the basis of a percentage of profits, bonuses, fringe benefits, reimbursements or other expense allowances under a nonaccountable plan as described in Treasury Regulation Section 1.62-2(c)), plus the participant's elective deferrals (as defined in Section 402(g)(3) of the Code) and any other amount which is contributed or deferred by the Participating Employer at the election of the participant and which is not includible in the gross income of the participant by reason of Sections 125, 132(f)(4) or 457 of the Code; amounts described in Sections 104(a)(3), 105(a) and 105(h) of the Code, but only to the extent that such amounts are includible in the gross income of the participant; amounts paid or reimbursed by the Participating Employer for moving expenses incurred by the participant, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the participant under Section 217 of the Code; the value of a non-qualified stock option granted to the participant by the Participating Employer, but only to the extent that the value of the option is includible in the gross income of the participant for the taxable year in which granted; and the amount includible in the gross income of a participant upon making the election described in Section 83(b) of the Code; and excluding contributions made by the Participating Employer to any plan of deferred compensation which are not includible in the participant's gross income for the taxable year in which contributed; contributions made by the Participating Employer under a simplified employee pension plan; any distributions from a plan of deferred compensation; amounts realized from the exercise of a non-qualified stock option or from the sale or other disposition of stock acquired under a qualified stock option; amounts realized when restricted stock (or property) held by the participant either becomes freely transferable or is no longer subject to a substantial risk of forfeiture; and any other amount paid by the Participating Employer that receives special tax benefits or is excluded under the definition of compensation under Section 415 of the Code and Treasury Regulation Section 1.415-2(d)(3). If elected by the Committee, compensation may be modified to exclude any amounts contributed by the Participating Employer pursuant to a salary reduction agreement which are not includible in the gross income of the participant under Section 125, 132(f)(4), 402(e)(3), 402(h) or 403(b) of the Code.

2. "**Compensation**" means for any participant the wages, salary and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered by the participant in the course of his service with the Participating Employer to the extent that the amounts are includible in gross income (including but not limited to commissions, compensation for services on the basis of a percentage of profits, bonuses, fringe benefits, reimbursements or other expense allowances under a nonaccountable plan as described in Treasury Regulation Section 1.62-2(c)), plus the participant's elective deferrals (as defined in Section 402(g)(3) of the Code) and any other amount which is contributed or deferred by the Participating Employer at the election of the participant and which is not includible in the gross income of the participant by reason of Sections 125, 132(f)(4) or 457 of the Code; and excluding contributions made by the

Participating Employer to any plan of deferred compensation which are not includible in the participant's gross income for the taxable year in which contributed; contributions made by the Participating Employer under a simplified employee pension plan; any distributions from a plan of deferred compensation; amounts realized from the exercise of a non-qualified stock option or from the sale or other disposition of stock acquired under a qualified stock option; amounts realized when restricted stock (or property) held by the participant either becomes freely transferable or is no longer subject to a substantial risk of forfeiture; and any other amount paid by the Participating Employer that receives special tax benefits or is excluded under the definition of compensation under Section 415 of the Code and Treasury Regulation Section 1.415-2(d)(3). If elected by the Committee, compensation may be modified to exclude any amounts contributed by the Participating Employer pursuant to a salary reduction agreement which are not includible in the gross income of the participant under Section 125, 132(f)(4), 402(e)(3), 402(h) or 403(b) of the Code.

3. "**Compensation**" means for any participant his wages from the Participating Employer as defined in Section 3401(a) of the Code and all other payments of compensation to the participant by the Participating Employer (in the course of the Participating Employer's trade or business) for which the Participating Employer is required to furnish the participant a written statement under Sections 6041(d) and 6051(a)(3) of the Code, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2) of the Code), plus the participant's elective deferrals (as defined in Section 402(g)(3) of the Code) and any other amount which is contributed or deferred by the Participating Employer at the election of the participant and which is not includible in the gross income of the participant by reason of Sections 125, 132(f)(4) or 457 of the Code. If elected by the Committee, compensation may be modified to (i) exclude any amounts contributed by the Participating Employer pursuant to a salary reduction agreement which are not includible in the gross income of the participant under Section 125, 132(f)(4), 402(e)(3), 402(h) or 403(b) of the Code; and/or (ii) exclude amounts paid or reimbursed by the Participating Employer for moving expenses incurred by the participant, but only to the extent that at the tune of payment it is reasonable to believe that these amounts are deductible by the participant under Section 217 of the Code.

4. "**Compensation**" means for any participant his wages from the Participating Employer as defined in Section 3401(a) of the Code, for federal income tax withholding purposes, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2) of the Code), plus the participant's elective deferrals (as defined in Section 402(g)(3) of the Code) and any other amount which is contributed or deferred by the Participating Employer at the election of the participant and which is not includible in the gross income of the participant by reason of Sections 125, 132(f)(4) or 457 of the Code. If elected by the Committee, compensation may be modified to exclude any amounts contributed by the Participating Employer pursuant to a salary reduction agreement which are not includible in the gross income of the participant under Section 125, 132(f)(4), 402(e)(3), 402(h) or 403(b) of the Code.

PARTICIPATING EMPLOYERS

As of August 1, 2020, the list of participating employer is provided below. Pursuant to Section 20 of the Plan, such listing may be updated by separate agreement between such employer and a Senior Executive Vice President of the Company.

AFCO Acceptance Corporation
AFCO Credit Corporation
AmRisc, LLC
Truist Bank
BB&T Collateral Service Corporation
BB&T Commercial Equipment Capital
BB&T Equipment Finance Corp
BB&T Institutional Investment Advisors, Inc.
Truist Insurance Holdings, Inc.
BB&T Leadership Institute, Inc.
BB&T Merchant Services LLC
BB&T Real Estate Funding, LLC
BB&T Securities, LLC (6)
CB Finance, Inc.
CRC Insurance Services
Crump Life Insurance Services, Inc.
GFO Advisory Services, LLC
Grandbridge Real Estate Capital. LLC
J. H. Blades Co, Inc.
McGriff Insurance Services, Inc.
McGriff, Seibels & Williams, Inc.
Peak Health
Prime Rate Premium Finance Corp
Regional Acceptance Corporation
Sterling Capital Management, LLC
SunTrust Advisory Services, LLC
SunTrust Community Capital, LLC
SunTrust Delaware Trust Company
SunTrust Equipment Finance & Leasing Corp
SunTrust Equity Funding, LLC
SunTrust Institutional & Government
SunTrust Investment Services, Inc.
SunTrust Leasing Corporation
SunTrust Robinson Humphrey, Inc.
Tapco Insurance Underwriters, Inc.
Truist CIG, LLC

Merger of Acquired Company Plans into this Plan

1. **Merger of BB&T Corporation 401(k) Retirement Plan for Certain Acquired Companies.** Effective as of December 31, 2014, the assets and liabilities of the BB&T Corporation 401(k) Retirement Plan for Certain Acquired Companies (the "acquired company plan") shall be merged into the plan. The merger shall satisfy the requirements of Section 414(l) of the Code and Section 12.3 of the plan. The assets of the acquired company plan (the "transferred amounts") shall be transferred to the Trustee and merged with the plan as soon as administratively feasible on or after such date.

1.1 Allocation of Transferred Amounts: The transferred amounts representing a participant's before-tax contributions, voluntary after-tax contributions, Roth deferral contributions, matching contributions, rollover contributions and employer profit sharing contributions, and earnings thereon, shall be allocated to the participant's respective accounts in the plan or allocated to separate accounts, in the Committee's sole discretion. Notwithstanding the prior sentence, transferred amounts subject to Section 401(a)(11) and Section 417 of the Code ("Section 417 amounts") shall be allocated to a separate account on behalf of each qualified participant. Initially, the transferred amounts will be invested in the same investment funds in which they were invested in the acquired company plan, until the participant elects otherwise in accordance with procedures set forth by the Committee.

1.2 Eligibility: Any participant with a positive account balance in the acquired company plan on December 31, 2014 shall become a participant in the plan as of the close of business on December 31, 2014.

1.3 Loans: Any loan outstanding under the acquired company plan as of December 31, 2014 shall be transferred to the plan and treated as a loan under Section 4.4, subject to the existing repayment terms. Transferred amounts shall generally be eligible for loans in accordance with Section 4.4, except that Section 417 amounts shall not be eligible for loans, but may be take into account in determining the maximum amount of loan available to a participant in accordance with Section 4.4.3.

1.4 Vesting: All transferred amounts shall be fully vested.

1.5 Distributions Prior to Termination from Service: Generally, transferred amounts are subject to the pre-termination distribution provisions in Section 4, but without regard to the limit on the number of permissible in-service distribution in Section 4.3. However, a qualified participant, as defined in Exhibit C, Section 1.9.4, below, may not withdraw Section 417 amounts prior to termination from service.

Any withdrawal made pursuant to this Exhibit C, Section 1.5, shall be withdrawn by the Trustee from the participant's transferred amounts in accordance with procedures adopted by the Committee.

1.6 Distributions On or After Termination from Service: Generally, transferred amounts are subject to the post-termination from service distribution provisions in Section 5. However, transferred amounts that are Section 417 amounts are subject to the following special provisions, in addition to the provisions in Section 5 that are not inconsistent with the following provisions:

1.6.1 As of the adjustment date coincident with or next following the date a qualified participant terminates service, or as of such later adjustment date as the qualified participant elects pursuant to Exhibit C, Section 1.6.2.1, the Section 417 amounts of a qualified participant who is married on his annuity starting date, as defined in Exhibit C, Section 1.9.1 below, shall be payable to him as a qualified joint and survivor annuity, as defined in Exhibit C, Section 1.9.3 below, and the Section 417 amounts of a qualified participant who is not married on his annuity starting date shall be paid to him in the form of a single life annuity. Notwithstanding the foregoing, pursuant to a qualified election, a qualified participant may elect to have his Section 417 amounts payable to him under one of the options described in Section 5.1.

1.6.2 Applicable provisions: The following provisions shall apply for purposes of this Exhibit C, Section 1.6.2:

1.6.2.1 Deferral election: Unless a qualified participant files an election pursuant to this Exhibit C, Section 1.6.2.1, to defer payment of his Section 417 amounts, such payment must commence within 60 days following the latest of the year-end adjustment date for the plan year in which the participant: (i) attains normal retirement age; (ii) attains the 10th anniversary of the year in which he commenced participant in the plan; or (iii) retires or otherwise terminates service, except where distributions commence in accordance with Section 5.3.1 or 5.9. The failure to elect distributions shall be deemed an election to defer distributions.

1.6.2.2 Form of distribution: Distributions shall be made in cash and annuity contracts. Any annuity contract purchased and distributed from a legal reserve life insurance company shall comply with the requirements of the plan and Sections 401(a) and 402 of the Code. Notwithstanding the foregoing, if a portion of a participant's account is invested in Company stock, such participant may direct the Committee to distribute such portion in shares of Company stock.

1.6.2.3 Explanation to qualified participant: No fewer than 30 days and no more than 180 days before a qualified participant's annuity starting date, the Committee shall provide the qualified participant a written explanation of: (i) the terms and conditions of a qualified joint and survivor annuity or a life annuity, whichever is applicable; (ii) the qualified participant's right to waive and the effect of a qualified election to waive such annuity; (iii) the rights of qualified participant's spouse not to consent to an election to waive the qualified joint and survivor annuity; (iv) the qualified participant's right to revoke

and the effect of an election to revoke a previous election and the effect of such revocation; and (v) the participant's right to elect an optional method of payment pursuant to a qualified election, as defined in Section 1.9.2.

1.6.2.4 Required consent: Subject to the provisions of Section 12.1 and Exhibit C, Section 1.8, any distribution to a qualified participant who has an account which exceeds the cash-out limit (as defined in Section 411(a)(11)(A) of the Code), shall require the participant's consent and the participant's spouse's consent if such distribution is to commence prior to the participant's attainment of normal retirement age. The consent requirements of this Exhibit C, Section 1.6.2.4 shall be deemed satisfied if the participant's account does not exceed the cash-out limit.

1.6.2.5 Waiver of election period: A distribution to a qualified participant may commence less than 30 days after the notice required by Exhibit C, Section 1.6.2.3 is provided to the qualified participant, provided that:

(i) The Committee clearly informs the qualified participant that the qualified participant has a right to at least 30 days to consider whether to waive the normal form of payment under the plan and to elect an optional method of payment;

(ii) The qualified participant, after receiving the notice, makes a qualified election; and

(iii) The distribution to the qualified participant pursuant to his qualified election commence more than 7 days after the notice is provided to him.

1.7 Death Benefits: Generally, transferred amounts are subject to the provisions in Section 5.2 regarding distributions on account of the participant's death. However, transferred amounts that are Section 417 amounts are subject to the following special provisions, in addition to the provisions in Section 5.2 that are not inconsistent with the following provisions:

1.7.1 Death Benefits: If a qualified participant dies before distribution of his Section 417 amounts begins, payment of his Section 417 amounts to his beneficiary shall commence as of any adjustment date following the date of the qualified participant's death as elected by the beneficiary. The qualified participant's Section 417 amounts shall be payable under a method of payment described in Section 5.1.1 (treating the beneficiary for this purpose as if he were not a qualified participant), as elected by the beneficiary. If the qualified participant leaves a surviving spouse and has not filed a qualified election, as defined in Exhibit C, Section 1.9.2, his Section 417 amounts shall be payable to his surviving spouse as provided in Section 5.1.1 (treating the surviving spouse for this purpose as a nonqualified participant), as elected by the surviving spouse

in writing to the Committee. If the qualified participant's surviving spouse fails to elect a method of payment, the qualified participant's Section 417 amounts shall be applied toward the purchase from a legal reserve life insurance company of a qualified preretirement survivor annuity, as defined in Exhibit C, Section 1.9.5. If the qualified participant leaves no surviving spouse or his spouse consents to the naming of another beneficiary, his account shall be payable to his beneficiary as provided in Section 5.1.1 (treating the beneficiary for this purpose as a nonqualified participant), as elected by the beneficiary in writing to the Committee.

1.7.2 Explanation to qualified participant: The Committee shall provide each qualified participant, within the applicable period, as defined in this Exhibit C, Section 1.7.2, for such participant, a written explanation of: (i) the terms and conditions of a qualified preretirement survivor annuity; (ii) the qualified participant's right to make and the effect of an election to waive such annuity form of benefit; (iii) the rights of a qualified participant's spouse; and (iv) the right to revoke and the effect of a revocation of a previous election to waive such annuity. The applicable period is the later of the following: (A) the period beginning with the first day of the plan year in which the qualified participant attains age 32 and ending with the close of the plan year in which the qualified participant attains 35; (B) the two-year period beginning one year before the employee becomes a qualified participant and ending one year after such date; of (C) the two-year period beginning one year before the provisions of Section 401(a)(11) of the Code first apply to the qualified participant and ending one year after such date. If a qualified participant separates from service before the plan year in which he attains age 35, notice shall be provided within the two-year period beginning one year before his separation and ending one year after his separation. If such qualified participant thereafter returns to employment with a Participating Employer, the applicable period for such participant shall be redetermined.

1.7.3 Election period to waive qualified preretirement survivor annuity: A qualified participant may waive the qualified preretirement survivor annuity during the period beginning on the first day of the plan year in which the qualified participant attains age 35 and ending on the date of the qualified participant's death. If a qualified participant terminates service prior to the first day of the plan year in which he attains age 35, the election period with respect to his Section 417 amounts as of the date of separation shall begin on the date of termination. A qualified participant who will not yet attain age 35 as of the end of any current plan year may make a special qualified election to waive the qualified preretirement survivor annuity for the period beginning on the date of such election and ending on the first day of the plan year in which the qualified participant will attain age 35. Such election shall not be valid unless a qualified participant receives a written explanation of the qualified preretirement survivor annuity described in Exhibit C, Section 1.7.2. Qualified preretirement survivor annuity coverage will be automatically reinstated as of the first day of the plan

year in which the qualified participant attains age 35. Any new waiver on or after such date shall be subject to the full requirements of this Exhibit C, Section 1.7.

1.8 Distributions upon complete termination of plan: In the event of the termination of the plan, Section 417 amounts shall be distributed in accordance with the provisions of this Exhibit C, Section 1.8. If upon termination, the plan does not offer an annuity option (purchase from a commercial provider) and neither the Company nor any affiliated employer maintains another defined contribution plan (other than an employee stock ownership plan defined in Section 4975(e)(7) of the Code), the participant's Section 417 amounts may, without the participant's consent, be distributed to the participant. However, if the Company or any affiliated employer maintains another defined contribution plan (other than an employee stock ownership plan defined in Section 4975(e)(7) of the Code), the participant's Section 417 amounts may, without the participant's consent, be transferred to such other plan if the participant does not consent to an immediate distribution.

1.9 Definitions: The following definitions apply for purposes of this Exhibit C, Section 1:

1.9.1 "Annuity starting date" means the first day of the first period as of which an amount is paid in an annuity or any other form. The annuity starting date may or may not be the date benefit payments actually commence.

1.9.2 "Qualified election" means the waiver of a qualified joint and survivor annuity or a qualified preretirement survivor annuity. Any such election shall not be effective unless: (i) the qualified participant's spouse (if any) consents in writing to the election; (ii) the election designates a specific beneficiary, including any class of beneficiaries or contingent beneficiaries, which may not be changed without spousal consent (or the spouse expressly permits designations by the qualified participant without any further spousal consent); (ii) the spouse's consent acknowledges the effect of the election; and (iv) the spouse's consent is witnessed by a plan representative or notary public. Additionally, a qualified participant's qualified election shall not be effective unless it designates a form of benefit payment which may not be changed without spousal consent (or the spouse expressly permits designations by the qualified participant without any further spousal consent). If it is established to the satisfaction of a plan representative that there is no spouse or the spouse cannot be located, an election by the qualified participant shall be deemed a qualified election. Any consent by a spouse obtained under this provision (or establishment that the consent of a spouse may not be obtained) shall be effective only with respect to such spouse. A consent that permits designates by the qualified participant without any requirement of further consent by such spouse shall acknowledge that the spouse has the rights to limit consent to a specific beneficiary and a specific form of benefit (where applicable), and that the spouse voluntarily elects to relinquish either or both of such rights. A revocation of a prior election may be made by a

qualified participant without the consent of the spouse at any time before the commencement of benefits. The number of revocations shall not be limited.

1.9.3 "Qualified joint and survivor annuity" means an immediate, noncashable, nontransferable annuity contract purchased from a legal reserve life insurance company providing approximately equal monthly installments for the life of the qualified participant with a survivor annuity for the life of the qualified participant's surviving spouse which is either 50% or 100% of the amount of the annuity payable during the joint lives of the qualified participant and the qualified participant's surviving spouse. The percentage of the survivor annuity under the plan shall be 50% unless otherwise elected by the qualified participant. Notwithstanding the foregoing, a qualified optional survivor annuity shall be available for married participants. Such qualified optional survivor annuity shall be a joint and survivor annuity under which a reduced monthly benefit is payable to the participant for his life, and after his death a monthly benefit equal to 75% of such reduced monthly benefit is payable for life to the participant's surviving spouse. Such qualified optional survivor annuity shall be the actuarial equivalent of a single life annuity.

1.9.4 "Qualified participant" means the following:

1.9.4.1 A participant with respect to whom the plan is a direct or indirect transferee of a defined benefit plan, money purchase plan, a target benefit plan or other plan which is subject to the survivor annuity requirements of Sections 401(a)(11) and 417 of the Code, and the plan received the transfer after December 31, 1984.

1.9.4.2 A participant whose benefits under a defined benefit plan maintained by the Company or any affiliated employer are offsets by benefits provided under this plan.

1.9.5 "Qualified preretirement survivor annuity" means an ideate noncashable and nontransferable annuity purchased from a legal reserve life insurance company providing approximately equal monthly installments for the life of the qualified participant's surviving spouse, if any.

2. **Merger of AmRisc, LP 401(k) Plan.** Effective as of December 31, 2016, the assets and liabilities of the AmRisc, LP 401(k) Plan (the "AmRisc plan") shall be merged into the plan. The merger shall satisfy the requirements of Section 414(l) of the Code and Section 12.3 of the plan. The assets of the AmRisc plan (the "transferred amounts") shall be transferred to the Trustee and merged with the plan as soon as administratively feasible on or after such date.

2.1 Allocation of Transferred Amounts: The transferred amounts representing a participant's before-tax contributions, Roth deferral contributions, matching contributions, rollover contributions and employer nonelective contributions,

and earnings thereon, shall be allocated to the participant's respective accounts in the plan or allocated to separate accounts, in the Committee's sole discretion. The transferred amounts will be invested in the same investment funds in which they are invested under the AmRisc plan prior to the merger until the participant elects otherwise in accordance with Section 7.

2.2 Eligibility: Any participant with an account balance in the AmRisc plan on December 31, 2016 shall become a participant in the plan as of the close of business on December 31, 2016 with regard to such transferred amounts. With regard to eligibility for future contributions under the plan, service credited under the AmRisc plan shall be taken into account, as provided in Section 1.42.

2.3 Loans: Any loan outstanding under the AmRisc plan as of December 31, 2016 shall be transferred to the plan and treated as a loan under Section 4.4, subject to the existing repayment terms. After the transfer, transferred amounts shall be eligible for loans in accordance with Section 4.4.

2.4 Vesting: All transferred amounts shall be fully vested.

2.5 Distributions Prior to Termination from Service: Generally, transferred amounts are subject to the pre-termination distribution provisions in Section 4, but without regard to the limit on the number of permissible in-service distribution in Section 4.3. A participant shall be entitled to withdraw transferred amounts if he is suffers a Disability. A participant may withdraw transferred matching and nonelective contributions if either (i) the amounts have been credited to the participant's account for at least two years or (ii) the participant has been a participant in the AmRisc, LP 401(k) Plan and this plan, in the aggregated, for at least 60 months. Any withdrawal made pursuant to this Exhibit C, Section 2.5, shall be withdrawn by the Trustee from the participant's transferred amounts in accordance with procedures adopted by the Committee.

2.6 Distributions On or After Termination from Service: Generally, transferred amounts are subject to the post-termination from service distribution provisions in Section 5.

3. **Merger of McGriff, Seibels & Williams, Inc. Employee 401(k) Plan**. Effective as of December 31, 2016, the assets and liabilities of McGriff, Seibels & Williams, Inc. Employee 401(k) Plan (the "MSW plan") shall be merged into the plan. The merger shall satisfy the requirements of Section 414(l) of the Code and Section 12.3 of the plan. The assets of the MSW plan (the "transferred amounts") shall be transferred to the Trustee and merged with the plan as soon as administratively feasible on or after such date.

3.1 Allocation of Transferred Amounts: The transferred amounts representing a participant's before-tax contributions, Roth deferral contributions, matching contributions, rollover contributions and employer nonelective contributions, and earnings thereon, shall be allocated to the participant's respective accounts in the

plan or allocated to separate accounts, in the Committee's sole discretion. The transferred amounts will be invested in the same investment funds in which they are invested under the MSW plan prior to the merger until the participant elects otherwise in accordance with Section 7.

3.2 Eligibility: Any participant with an account balance in the MSW plan on December 31, 2016 shall become a participant in the plan as of the close of business on December 31, 2016 with regard to such transferred amounts. With regard to eligibility for future contributions under the plan, service credited under the MSW plan shall be taken into account, as provided in Section 1.42.

3.3 Loans: Any loan outstanding under the MSW plan as of December 31, 2016 shall be transferred to the plan and treated as a loan under Section 4.4, subject to the existing repayment terms. After the transfer, transferred amounts shall be eligible for loans in accordance with Section 4.4.

3.4 Vesting: All transferred amounts shall be fully vested.

3.5 Distributions Prior to Termination from Service: Generally, transferred amounts are subject to the pre-termination distribution provisions in Section 4, but without regard to the limit on the number of permissible in-service distribution in Section 4.3. Transferred elective deferral and Roth elective deferral contributions are available for distribution as qualified reservist distributions described in Code section 401(k)(2)(B)(i)(V). Any withdrawal made pursuant to this Exhibit C, Section 3.5, shall be withdrawn by the Trustee from the participant's transferred amounts in accordance with procedures adopted by the Committee.

3.6 Distributions On or After Termination from Service: Generally, transferred amounts are subject to the post-termination from service distribution provisions in Section 5.

4. **Merger of CRC Insurance Services, Inc. Employee 401(k) Plan**. Effective as of December 31, 2016, the assets and liabilities of CRC Insurance Services, Inc. (the "CRC plan") shall be merged into the plan. The merger shall satisfy the requirements of Section 414(l) of the Code and Section 12.3 of the plan. The assets of the CRC plan (the "transferred amounts") shall be transferred to the Trustee and merged with the plan as soon as administratively feasible on or after such date.

4.1 Allocation of Transferred Amounts: The transferred amounts representing a participant's before-tax contributions, Roth deferral contributions, matching contributions, rollover contributions and employer nonelective contributions, and earnings thereon, shall be allocated to the participant's respective accounts in the plan or allocated to separate accounts, in the Committee's sole discretion. The transferred amounts will be invested in the same investment funds in which they are invested under the CRC plan prior to the merger until the participant elects otherwise in accordance with Section 7.

4.2 Eligibility: Any participant with an account balance in the CRC plan on December 31, 2016 shall become a participant in the plan as of the close of business on December 31, 2016 with regard to such transferred amounts. With regard to eligibility for future contributions under the plan, service credited under the CRC plan shall be taken into account, as provided in Section 1.42.

4.3 Loans: Any loan outstanding under the CRC plan as of December 31, 2016 shall be transferred to the plan and treated as a loan under Section 4.4, subject to the existing repayment terms. After the transfer, transferred amounts shall be eligible for loans in accordance with Section 4.4.

4.4 Vesting: All transferred amounts shall be fully vested.

4.5 Distributions Prior to Termination from Service: Generally, transferred amounts are subject to the pre-termination distribution provisions in Section 4, but without regard to the limit on the number of permissible in-service distribution in Section 4.3. A participant shall be entitled to withdraw transferred matching contributions upon reaching age 21, subject to Code restrictions. Any withdrawal made pursuant to this Exhibit C, Section 4.5, shall be withdrawn by the Trustee from the participant's transferred amounts in accordance with procedures adopted by the Committee.

4.6 Distributions On or After Termination from Service: Generally, transferred amounts are subject to the post-termination from service distribution provisions in Section 5.

Provisions Related to SunTrust Banks, Inc. 401(k) Plan Participants

1. Merger of SunTrust Banks, Inc. 401(k) Plan. Effective as of the close of business on July 31, 2020, the assets and liabilities of the SunTrust Banks, Inc. 401(k) Plan (the "ST Plan") shall be merged into the Plan. The merger shall satisfy the requirements of Section 414(l) of the Code and Section 12.3 of the Plan. The assets of the ST Plan (the "ST Transferred Amounts") shall be transferred to the Trustee and merged with the Plan as soon as administratively feasible on or after such date. If provisions of this Plan conflict with the ST Plan, the ST Plan shall be followed with respect to the amounts transferred from the ST Plan.

2. General Provisions.

2.1 Definitions:

2.1.1 "ST Active Participant" means a participant in the ST Plan as of the close of business on July 31, 2020 who was an active employee of SunTrust Banks, Inc. at that time, and continues to be an active employee of the Company thereafter.

2.1.2 "ST Discretionary Contribution" means the employer contribution provided by Section 3.3.2 of this Exhibit D.

2.1.2 "ST Inactive Participant" means a participant in the ST Plan who was not an active employee of SunTrust Banks, Inc. as of the close of business on July 31, 2020.

2.1.3 "ST Matching Contribution" means the employer contribution provided by Section 3.3.1 of this Exhibit D.

2.1.3 "ST Participant" means an ST Active Participant or an ST Inactive Participant.

2.1.4 "ST Plan" means the SunTrust Banks, Inc. 401(k) Plan, which merged into this Plan as of August 1, 2020.

2.1.5 "ST Transferred Amounts" means the assets of the ST Plan that are transferred to the Trustee and merged into this Plan as soon as administratively feasible on or after August 1, 2020.

2.2 Allocation of ST Transferred Amounts: The ST Transferred Amounts representing a participant's elective deferral contributions, voluntary after-tax contributions, Roth contributions, matching contributions, rollover contributions and employer discretionary contributions, and earnings thereon, shall be allocated to the participant's respective accounts in the Plan or allocated to separate accounts, in the Committee's sole discretion. Notwithstanding the prior sentence, ST Transferred Amounts subject to Section 401(a)(11) and Section 417 of the Code shall be allocated to a separate account on behalf of each qualified participant. The ST Transferred Amounts will be invested in the investment funds under the Plan to which the

investment funds under the ST Plan were mapped until the participant elects otherwise in accordance with procedures set forth by the Committee.

2.3 Eligibility: A ST Participant with a positive account balance in the ST Plan on July 31, 2020 shall become a participant in the Plan as of the close of business on July 31, 2020.

2.4 Loans: Any loan outstanding under the ST Plan as of July 31, 2020 shall be transferred to the Plan and treated as a loan under Section 4.4, subject to the existing repayment terms. ST Transferred Amounts shall generally be eligible for loans in accordance with Section 4.4. If a loan is requested on amounts that are subject to Section 401(a)(11) and Section 417 of the Code, spousal consent shall be required as provided in Section 5.3(m) of the Plan.

2.5 Vesting: All ST Participants who had an account balance under the ST Plan as of December 31, 2019 shall be fully vested in their ST Transferred Amounts.

2.6 Distributions Prior to Termination from Service: Generally, ST Transferred Amounts are subject to the pre-termination distribution provisions in Section 4, but without regard to the limit on the number of permissible in-service distribution in Section 4.3. Transferred elective deferral and Roth elective deferral contributions are available for distribution as qualified reservist distributions described in Code section 401(k)(2)(B)(i)(V). Any withdrawal made pursuant to this Exhibit C, Section 2.6, shall be withdrawn by the Trustee from the participant's ST Transferred Amounts in accordance with procedures adopted by the Committee.

2.6.1 Crestar Financial Corporation: For ST Transferred Amounts that are attributable to the Crestar Plan (which merged into the ST Plan effective July 1, 1999), affected ST Participants shall be eligible to elect in-service withdrawals from the balances in their accounts immediately prior to the Crestar Plan and ST Plan merger, excluding all balances attributable to before-tax accounts and balances attributable to money purchase plan accounts that merged into the ST Plan from the Crestar Plan.

Money Purchase Accounts, defined in Section 2.7 below, shall not be eligible for in-service distributions.

2.6.2 National Commerce Financial Corporation: For ST Transferred Amounts that are attributable to the National Commerce Financial Corporation Investment Plan (the "NCF Plan" which merged into the ST Plan effective as of the close of business on June 30, 2005), affected ST Participants shall be eligible to elect in-service withdrawals from the balances in their accounts immediately prior to the NCF Plan and ST Plan merger, excluding all balances attributable to the before-tax accounts that merged into the ST Plan from the NCF Plan.

2.7 Crestar Financial Corporation: The money purchase plan accounts (which were merged into the Crestar Plan when Crestar acquired Providence Savings & Loan, and were

merged into the ST Plan effective July 1, 1999) shall be maintained separately ("Money Purchase Accounts"). Distributions from the Money Purchase Accounts are subject the notice and Spousal consent requirements for Section 417 amounts set forth in Section 1 of this Exhibit C. Spousal consent (as provided in Section 5.3(m) of the Plan) is required for loans. The normal form of payment for each Money Purchase Account is the single life annuity for the unmarried Participant, and the 50 percent joint and survivor annuity for the married Participant. If a ST Participant dies with a Money Purchase Account balance, and before his/her Benefit Commencement Date, the Plan will pay the balance in that Account to his/her surviving Spouse in the form of a 50 percent qualified preretirement survivor annuity unless the Spouse elects another form, consistent with the election procedure set forth in Section 1.7 of Exhibit C.

2.8 Distributions upon complete termination of Plan: If upon termination, the Plan does not offer an annuity option (purchase from a commercial provider) and neither the Company nor any affiliated employer maintains another defined contribution plan (other than an employee stock ownership plan defined in Section 4975(e)(7) of the Code), the participant's Money Purchase Accounts amounts may, without the participant's consent, be distributed to the participant. However, if the Company or any affiliated employer maintains another defined contribution plan (other than an employee stock ownership plan defined in Section 4975(e)(7) of the Code), the participant's Money Purchase Accounts amounts may, without the participant's consent, be transferred to such other plan if the participant does not consent to an immediate distribution.

3. Provisions Applicable to ST Active Participants. Effective August 1, 2020, and ceasing to be effective as of the end of the day on December 31, 2020, the following provisions of this Section 3 of Exhibit D shall apply to ST Active Participants.

3.1 Existing Deferral Elections. Any ST Active Participant who previously has affirmatively elected to make (or not make) elective deferral contributions or Roth contributions, or has been making automatic deferrals to the ST Plan, shall have that election, or deemed election or automatic increase, continue to apply under this Plan, unless the ST Active Participant makes a new affirmative election under the Plan.

3.2 New Deferral Elections. Any ST Active Participant may make an election to contribute to this Plan under the rules for employee contributions provided in the ST Plan in effect immediately before August 1, 2020.

3.3 Employer Contributions. Notwithstanding, anything to the contrary provided in the Plan, 2020 ST Active Participants shall only receive employer contributions as provided in this Exhibit D.

3.3.1 ST Matching Contribution. For each payroll period, the employer will make a safe harbor ST Matching Contribution in an amount equal to 100% of the amount of each ST Active Participant's elective deferrals and/or Roth contributions up to 6% of his/her Compensation for each payroll period during each Plan Year (as was provided in Section 3.2(a) of the ST Plan in effect immediately prior to the merger with the Plan). This percentage is designed to

comply with the ADP and ACP safe harbor requirements set forth in Sections 401(k)(12), 401(k)(13), 401(m)(11), and 401(m)(12) as applicable, and may be changed to the extent necessary to comply with those requirements as in existence from time to time. The employers do not make ST Matching Contributions for rollover contributions or catch-up contributions. As soon as practicable after the end of a calendar quarter, or after the end of the Plan Year, the employers make true-up ST Matching Contributions for each ST Active Participant whose deferral pattern during the Plan Year caused him/her to receive allocations of Matching Contributions in an amount less than the maximum amount permitted under the terms of the ST Plan (consistent with Section 3.2(a)(2) of the ST Plan in effect immediately prior to the merger with the Plan).

3.3.2 Employer Discretionary Contributions. The employers may elect for any Plan Year to make a ST Discretionary Contribution. The ST Discretionary Contribution for a Plan Year shall be allocated to ST Active Participants, or to such classification of eligible employees as the employers shall determine, who are:

Employees on the last day of the Plan Year; or

Who cease to be Employees during the Plan Year by reason of

(i) death

(ii) termination of employment because of a reduction in force (i.e., they received severance pay from their employers pursuant to a severance pay plan sponsored by an employer),

(iii) termination of employment after attainment of age 55 and the completion of 5 years of Vesting Service, or

(iv) due to a Disability incurred during the Plan Year.

The Plan shall allocate ST Discretionary Contribution as a uniform percentage of the eligible ST Active Participant's Compensation.

3.4 Compensation. For purposes of this Exhibit D, ST Active Participants' Compensation shall mean basic earnings (calculated monthly, weekly or hourly, as applicable) paid by an employer to a ST Active Participant. Compensation shall also include the following:

(1) shift differentials;

(2) compensation classified on his/her employer's payroll as vacation pay or sick pay;

(3) draw for a commission employee;

(4) overtime pay;

(5) certain bonuses and commissions as reviewed and approved by the employer (or its delegate);

(6) non-deferred payments under the SunTrust Management Incentive Plan (MIP) (or any successor plan as determined by the Compensation Committee);

(7) salary reduction contributions under Code Sections 401(k), 125 (flexible benefits), and/or 132(f) (parking or transportation);

(8) above-described amounts paid to a terminated Participant by the later of 46 days after his/her severance from employment or the end of the Plan Year in which his/her severance from employment occurs, for services performed during his/her employment (including amounts paid for accrued vacation time, accrued sick time, bonuses, and deferred compensation), which payments would have been paid if he/she had continued employment; and

(9) a back pay award or agreed amount.

Compensation shall exclude:

(1) other forms of extra compensation;

(2) employer payments for group insurance;

(3) payments under this Plan (including from the ST Plan prior to August 1, 2020) and any other qualified or non-qualified deferred compensation plan;

(4) income arising from stock options, stock awards and stock appreciation rights;

(5) fringe benefits (except qualified transportation fringe benefits under Code Section 132(f));

(6) expense reimbursements;

(7) payments under an employer's long-term disability plan; and

(8) other forms of indirect payments.

This definition of Compensation is in accordance with the definition provided in Section 1.14 of the ST Plan immediately prior to August 1, 2020, and is intended to be interpreted under this Exhibit D of the Plan in a manner consistent with the meaning provided by the ST Plan.

Exhibit 10.65

Qualified Trust Agreement

This Trust Agreement, dated as of the 15th day of July, 2020 ("Effective Date"), is between **Truist Financial Corporation**, a North Carolina corporation, having an office at 214 N. Tryon St., Charlotte, NC 28202 ("Sponsor"), and **Fidelity Management Trust Company** (the "Trustee"), a Massachusetts trust company, having an office at 245 Summer Street, Boston, Massachusetts 02210. This Trust Agreement, including its Schedule A, is an extension of the DC SOW and the Master Services Agreement (as defined below) between Fidelity Workplace Services and Truist Financial Corporation regarding the Qualified Plan(s) included below.

Article 1. Overview; Roles

Sponsor is the sponsor of the Truist Financial Corporation 401(k) Savings Plan (the "Plan").

Sponsor wishes to establish, pursuant to the provisions of this trust agreement (including any Schedules, Exhibits and Attachments hereto, as the same may be amended and in effect from time to time) (the "Trust Agreement"), a single trust, to be administered as a Massachusetts trust governed by the laws of the Commonwealth of Massachusetts, and to hold and invest assets of the Plan for the exclusive benefit of Participants in the Plan and their beneficiaries (the "Trust").

Trustee is willing to hold and invest the aforesaid Plan assets in trust among several investment options selected by the Named Fiduciary.

Sponsor also wishes to have an affiliate of Trustee perform certain ministerial recordkeeping and related functions with respect to the Plan(s) pursuant to a separate Master Services Agreement, including the DC Services Statement of Work made a part thereof, (collectively, the "Master Services Agreement").

Trustee acknowledges that, in its capacity as a directed trustee, limited fiduciary status and duties under ERISA apply to its performance of certain obligations and agrees that in its performance thereof it shall act in accordance with such duties. Subject to any rights to appeal, in the event a court of competent jurisdiction were to determine that in performing any of its other obligations hereunder, Trustee acted as a fiduciary under ERISA, Trustee acknowledges that ERISA's fiduciary standards would be applied to such performance.

Each capitalized term used herein shall have the meaning ascribed to such term under the Master Services Agreement unless otherwise defined herein or the context clearly indicates otherwise.

Article 2. Trust

The Trust shall consist of (i) an initial contribution of money or other property acceptable to Trustee in its sole discretion, made by Sponsor or transferred from a previous trustee under the Plan, (ii) such additional sums of money or other property acceptable to Trustee in its sole discretion, as shall from time to time be delivered to Trustee under the Plan, (iii) all investments made therewith and proceeds thereof, and (iv) all earnings and profits thereon, less the payments that are made by Trustee as provided herein. Trustee hereby accepts the Trust and shall be accountable for the assets received by it, subject to the terms hereof. Sponsor and Named Fiduciary of the Plan retain the right to hold other Plan assets in a trust or insurance contract separate and apart from the Trust, and Trustee shall have no responsibilities with respect to such

trust or insurance contract except as specifically set forth herein. Any successor to all or substantially all of Trustee's trust business as described in Section 9.4 and any successor trustee appointed pursuant to Section
9.4 to the extent such successor agrees to serve as trustee hereunder shall, absent Sponsor's written indications to the contrary, become Trustee hereunder.

Article 3. Exclusive Benefit and Reversion of Sponsor Contributions

Except as provided under applicable law, no part of the Trust may be used for, or diverted to, purposes other than the exclusive benefit of the Participants in the Plan or their beneficiaries or the reasonable expenses of Plan administration. No assets of the Plan shall revert to Sponsor, except as specifically permitted by the terms of the Plan.

Article 4. Investment of Trust

Trustee shall be responsible for providing services hereunder solely with respect to those investment options set forth in Attachment A hereto which have been designated by the Named Fiduciary in its sole discretion. Although the Named Fiduciary retains sole discretion as to the investment options for the Plan, Trustee shall not, absent its written consent, be required to provide services with respect to other investment options that the Named Fiduciary seeks to add to the Trust. Except where stated otherwise in this Trust Agreement by explicit reference to Plan assets being held outside the Trust, (i) all obligations of Trustee hereunder (including all services to be performed by Trustee) with respect to the Plan shall be performed solely with respect to the investment options set forth in the Master Services Agreement or herein, and (ii) no other investments that may be held under a separate trust or insurance product with respect to the Plan shall be considered by Trustee in its performance of its obligations. Trustee shall be considered a fiduciary with investment discretion only with respect to Plan assets that are invested in stable value investments managed by Trustee or collective investment funds maintained by Trustee for qualified plans, and where such investments vehicles are listed in the Master Services Agreement or herein as available investment options.

If the Named Fiduciary has determined that Sponsor Stock shall be included as an available investment option under the Trust, the provisions of Schedule A to this Trust Agreement hereto shall apply to such investments.

Article 5. Sponsor Direction; Trustee Powers

Trustee shall follow the terms of this Trust Agreement except as otherwise required by law. Sponsor hereby directs Trustee to exercise the following powers and authority in Trustee's role as directed trustee as necessary to carry out its responsibilities under this Trust Agreement:

1. Subject to the ongoing direction of Participants and/or appropriate Plan fiduciaries (as described herein), sell, exchange, convey, transfer, or otherwise dispose of any property held in the Trust, by private contract or at public auction. No person dealing with Trustee shall be bound to see to the application of the purchase money or other property delivered to Trustee or to inquire into the validity, expediency, or propriety of any such sale or other disposition.
2. Cause securities or other property held as part of the Trust to be (i) registered in Trustee's own name, in the name of one or more of its nominees, or in Trustee's account with the

Depository Trust Company of New York, or (ii) held in bearer form, but the books and records of Trustee shall at all times show that all such investments are part of the Trust.

3. Keep that portion of the Trust in cash or cash balances as the Named Fiduciary or Administrator may, from time to time, deem to be in the best interest of the Trust.
4. Make, execute, acknowledge, and deliver any and all documents of transfer or conveyance in order to carry out the powers herein granted.
5. Borrow funds from a bank not affiliated with Trustee in order to provide sufficient liquidity to timely process Plan transactions where Sponsor or Named Fiduciary directs that investments requiring such liquidity be held in the Trust; provided that the cost of such borrowing shall be allocated in a reasonable fashion to the investment fund(s) in need of liquidity. Sponsor acknowledges that it has received the disclosure on Trustee's line of credit program and credit allocation policy and a copy of the text of Prohibited Transaction Exemption 2002-55 before executing this Trust Agreement if applicable.
6. In accordance with this paragraph, (i) settle, compromise, or submit to arbitration any claims, debts, or damages due to or arising from the Trust, (ii) commence or defend suits or legal or administrative proceedings, (iii) represent the Trust in all suits and legal and administrative hearings, and (iv) pay all reasonable expenses arising from any such action from the Trust if not paid by Sponsor. Trustee shall take action on behalf of the Trust with respect to any claim or dispute relating to the Trust only upon the written direction of the relevant fiduciary (which, for this purpose, shall be the fiduciary designated in writing by the Named Fiduciary for such purpose, and in the absence of such designation, shall be the Named Fiduciary). In the absence of such a direction, Trustee shall have (i) no authority to take action with respect to such claim or dispute even as to ministerial, nondiscretionary acts (for example, without limitation, the execution and delivery on behalf of the Trust of forms, pleadings, agreements, or other documents in connection with (A) the commencement, prosecution, or defense of a claim or dispute in litigation, arbitration, or other proceedings, (B) the settlement or compromise of a claim or dispute, or (C) the joining or opting out from a class action), (ii) other than as required by applicable law, no duty to request that the relevant fiduciary provide a direction or to question any direction of the relevant fiduciary in connection with any such claim or dispute, and (iii) no duty to act upon, consider, or respond to demands by Plan Participants or anyone other than the relevant fiduciary in connection with any claim or dispute.
7. Employ legal, accounting, clerical, and other assistance as may be required in carrying out the provisions of this Trust Agreement and pay their reasonable expenses and compensation from the Trust if not paid by Sponsor.
8. As directed by the Named Fiduciary or other authorized fiduciary from time to time, invest all or any part of the assets of the Trust in investment contracts and short term investments (including interest-bearing accounts with Trustee or money market mutual funds advised by affiliates of Trustee) and in any collective investment trust or group trust, including any collective investment trust or group trust maintained by Trustee, which then provides for the pooling of the assets of plans described in Section 401(a) and exempt from tax under Section 501(a) of the Code, or any comparable provisions of any future legislation that amends,

supplements, or supersedes those sections, provided that such collective investment trust or group trust is exempt from tax under the Code or regulations or rulings issued by the IRS. The provisions of the document governing such collective investment trusts or group trusts, as it may be amended from time to time, shall govern any investment therein and are hereby made a part of this Trust Agreement.

9. Do all other acts, although not specifically mentioned herein, as Trustee may deem necessary to carry out any of the foregoing directions or responsibilities under this Trust Agreement seeking further direction or instruction from Sponsor or other appropriate fiduciary where, and to the extent, Trustee is required as a directed trustee to do so.

Article 6. Services to Be Performed

6.1 Accounts. Trustee shall keep accurate accounts of all investments, receipts, disbursements, and other transactions hereunder, and shall report the value of the assets held in the Trust as of each Reporting Date. Within 30 days following each Reporting Date or within 60 days of a Reporting Date caused by the resignation or removal of Trustee, Trustee shall file with the Administrator a written account setting forth (i) all investments, receipts, disbursements, and other transactions effected by Trustee between the Reporting Date and the prior Reporting Date, and (ii) the value of the Trust as of the Reporting Date. The Sponsor and/or Named Fiduciary shall use all reasonable efforts to bring to the Trustee's attention, as soon as reasonably practical, any concerns or objections it may have relating to the accounts. Notwithstanding the previous sentence, except as otherwise required under ERISA, upon the expiration of 12 months from the date of filing such account, Trustee shall have no liability or further accountability with respect to the propriety of its acts or transactions shown in such account (or any Participant-level report provided to a Participant), except with respect to such acts or transactions as to which a written objection shall have been filed with Trustee by Sponsor or any Participant within such 12-month period.

6.2 Nature of Services. All services are of a directed nature to be performed within the framework of Sponsor's or Named Fiduciary's written directions regarding the Plan's provisions, guidelines and interpretations, and Trustee will have no discretionary authority or responsibility for (i) any Plan's management or administration, or (ii) investment of a Plan's assets. The relationship of Trustee to the Plan(s) will be that of a directed trustee. Trustee does not provide, and Sponsor shall not construe any services as, tax or legal advice. Sponsor must obtain its own legal and tax counsel for advice on Plan design appropriate for its specific situation and on legal and tax issues pertaining to the administration of its Plans. Services will be provided by Trustee, its agents, subcontractors, or affiliates; provided that Trustee shall be responsible for the performance of such services under this Agreement by its agents, subcontractors or affiliates to the same extent as if such Services had been performed by Trustee. Where specifically noted herein, certain services may be provided pursuant to one or more other contractual agreements or relationships.

Article 7. Expenses

All expenses of Trustee relating directly to the acquisition and disposition of investments constituting part of the Trust, all taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Trust or the income thereof, and any other reasonable expenses of Plan administration as determined and directed by the Administrator, may be a charge against and paid from the appropriate Participants' accounts.

Article 8. Indemnification and Co-Fiduciary Liability

8.1 Indemnification. Sponsor shall indemnify Trustee with respect to any third-party claims or regulatory proceedings asserted or commenced against Trustee to the extent such claim or proceeding is the result of any act done, or an act failed to be done, by any individual or person with respect to the Plans or Trust, excepting only those Losses asserted as part of such claim or proceeding that result from Trustee's negligence, bad faith, breach of applicable fiduciary duty under ERISA or willful misconduct under, or breach of the terms of, this Trust Agreement. Trustee shall indemnify Sponsor with respect to any thirdparty claims or regulatory proceedings asserted or commenced against Sponsor, Plan, the Plan's related trust, Named Fiduciary or Administrator to the extent Losses asserted as part of such any such claim or proceeding result from Trustee's negligence, bad faith, breach of applicable fiduciary duty under ERISA or willful misconduct under, or breach of the terms of, this Trust Agreement. Any reference to Sponsor or Trustee as an indemnified Party shall be deemed to include their respective successors, parent companies and any subsidiaries or affiliates and their respective directors, officers, employees (when acting on behalf of the Sponsor), contracted employees representatives, plan administrators and agents.

8.2 Co-Fiduciary Liability. Trustee shall not be liable for any loss or expense arising from any act or omission of another fiduciary under the Plan except as provided in Section 405(a) of ERISA.

8.3 Appointment of Investment Manager. In the event Named Fiduciary appoints an investment manager (as contemplated in Section 402(c)(3) of ERISA) in the future, this section would apply. Named Fiduciary may appoint an investment manager with respect to some or all of the assets of the Trust as directed by the Named Fiduciary. The authority of the investment manager shall not begin until Trustee receives from Named Fiduciary notice satisfactory to Trustee that the investment manager has been appointed and that such investment manager meets the requirements of Section 3(38) of ERISA and will be a fiduciary with respect to the relevant assets within the meaning of ERISA . The investment manager's authority shall continue until Trustee receives similar notice that the appointment has been rescinded. The assets with respect to which a particular investment manager has been appointed shall be segregated from all other assets held by Trustee under this Trust Agreement and the investment manager shall have the duty and power to direct Trustee in every aspect of their investment. Trustee shall follow the directions of an investment manager regarding the investment and reinvestment of the Trust, or such portion thereof as shall be under management by the investment manager, and shall be under no duty or obligation to review any investment to be acquired, held or disposed of pursuant to such directions nor make any recommendations with respect to the disposition or continued retention of any such investment unless required to do so by applicable law. Trustee shall have no liability or responsibility for acting without question on the direction of, or failing to act in the absence of any direction from, an investment manager, unless Trustee has knowledge that by such action or failure to act it will be participating in or undertaking to conceal a breach of fiduciary duty by that investment manager. Upon request, Trustee shall execute appropriate powers of attorney authorizing an investment manager appointed hereunder to exercise the powers and duties of trustee. Trustee may rely upon any order, certificate, notice, direction or other documentary confirmation purporting to have been issued or given by an investment manager which Trustee believes (i) to be genuine, and (ii) to have been issued or given by such investment manager. An investment manager shall certify in a timely manner, at the request of Trustee, the value of any securities or other property held in any fund managed by such investment manager, and such certification shall be regarded as a direction with regard to such valuation. Trustee shall be entitled to conclusively rely upon such valuation. Any oral direction shall be followed by a written confirmation as soon as practical. Trustee shall follow the procedures established by Named Fiduciary or Sponsor to validate such oral directions.

8.4 Survival. The provisions of this Article 8 shall survive the termination of this Agreement.

Article 9. Resignation or Removal of Trustee; Termination

9.1 Duration. This Trust shall continue in effect without limit as to time, subject, however, to the provisions hereof relating to amendment, modification, and termination of this Trust Agreement.

9.2 Resignation and Removal. Trustee may resign by terminating this Trust Agreement upon at least 180 days' prior written notice to the Sponsor; provided, however, that the Sponsor may agree, in writing, to a shorter notice period. The Sponsor may remove the Trustee by terminating this Trust Agreement upon at least 90 days' prior written notice to the Trustee; provided, however, that the Trustee may agree, in writing, to a shorter notice period.

9.3 Failure to Appoint Successor. If, by the termination date, Sponsor does not notify Trustee in writing as to the individual or entity to which the assets and cash are to be transferred and delivered, Trustee may bring an appropriate action or proceeding for leave to deposit the assets and cash in a court of competent jurisdiction. Sponsor shall reimburse Trustee for all costs and expenses of the action or proceeding including, without limitation, reasonable attorneys' fees and disbursements.

9.4 Successor Trustee. If the office of trustee becomes vacant for any reason, Sponsor may in writing appoint a successor trustee under this Trust Agreement. The successor trustee shall have all of the rights, powers, privileges, obligations, duties, liabilities, and immunities granted to Trustee under this Trust Agreement. The successor trustee and predecessor trustee shall not be liable for the acts or omissions of the other with respect to the Trust. Notwithstanding the preceding sentence, the provisions of Article 8.1 of this Trust Agreement shall survive the transition to the successor trustee with respect to events occurring prior to the transition. As of the date the successor trustee accepts its appointment under this Trust Agreement, title to and possession of the Trust assets shall immediately vest in the successor trustee without any further action on the part of the predecessor trustee, except as may be required to evidence such transition. The predecessor trustee shall execute all instruments and do all acts that may be reasonably necessary and requested in writing by Sponsor or the successor trustee to vest title to all Trust assets in the successor trustee or to deliver all Trust assets to the successor trustee. Any successor to Trustee or successor trustee, either through sale or transfer of the business or trust department of Trustee or successor trustee, or through reorganization, consolidation, or merger, or any similar transaction of either Trustee or successor trustee, shall, upon consummation of the transaction, become the successor trustee under this Trust Agreement.

Article 10. Inclusion of Additional Terms

Both Trustee and Sponsor agree to the Sections or Articles of the Master Services Agreement pertinent to the Plans included in the Trust that are (i) under the headings of "Service and Fees", "Taxes", "Confidential Information", "Termination Assistance", "Audit Rights and Regulatory Examinations", "Ownership of
Materials", "Compliance with Laws", "Plan Benefits Litigation", "Limitation of Liability", "Truist
Responsibilities", "Disputes", "Change Control Procedures" "Electronic Nature of Services", "Supplier Not Insurer, Guarantor", "Duty to Mitigate Damages", "No Oral or Electronic Mail Modification", "Notices", "Supplier Warranties", "Mutual Warranties", "Unenforceability", "Publicity", "Entire Agreement", "Certain Rules of Interpretation", "Order of Precedence", "Survival", "Counterparts",

"Force Majeure", "Assignment", and "Disabling Codes" in the body of the Master Services Agreement, or (ii) included in the **DC Services Statement of Work (Section 6, DC Terms and Conditions)** to the Master Services Agreement, as though such provisions were contained in this Trust Agreement, *mutatis mutandis* (including, without limitation, revising where appropriate references to "Fidelity" to refer to "Trustee", references to "Client" to refer to "Sponsor", and references to the Master Services Agreement to refer to this Trust Agreement) except to the extent this Trust Agreement clearly provides otherwise. For purposes of clarity, where a particular provision (i) assigns to Fidelity a general obligation (such as the duty to protect Client's Confidential Information), or (ii) limits or disclaims responsibility on the part of Fidelity, such duty, limitation or disclaimer shall be similarly applied to Trustee, where permitted by applicable Law, including ERISA, whereas the inclusion of any provision describing Fidelity's responsibility for performing a particular service under the Master Services Agreement should not be read as imposing a duplicative requirement that Trustee provide, or be responsible for, that same service. Similarly, duties and responsibilities assigned or reserved to Client under such sections shall be deemed to apply to Sponsor hereunder.

Article 11. Governing Law

The validity, construction, and effect of this Trust Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts (without regard to its conflicts-of-laws or choice-of-law provisions), except to the extent those laws are superseded under Section 514 of ERISA. Trustee is not a party to the Plan, and in the event of any conflict between the provisions of the Plan and the provisions of this Trust Agreement, the provisions of this Trust Agreement shall control.

Article 12. Electronic Signature

In the event the Parties have agreed to utilize an electronic signature process, each Party represents that its electronic signature below is intended to authenticate this writing and to have the same force and effect as a manual signature.

By signing below, the Parties agree to the terms of this Trust Agreement and the undersigned represent that they are authorized to execute this Trust Agreement on behalf of the respective Parties.

TRUIST FINANCIAL CORPORATION	**FIDELITY MANAGEMENT TRUST COMPANY**
By: /s/ Michal Sroka	By: /s/Jennifer Bennett
Name: Michal Sroka	Name: Jennifer Bennett
Title:	Title: Senior Vice President
Date: 7/23/2020	Date: 7/15/2020 12:00 PM EDT

Schedule A to the Qualified Trust Agreement

I. Sponsor Stock

Trust investments in Sponsor Stock shall be made via the Stock Fund. Dividends received on shares of

Sponsor Stock shall be: (i) paid to Participants in cash; or (ii) reinvested in additional shares of Sponsor Stock and allocated to Participants' accounts, for those Participants who have elected to have dividends reinvested. In the absence of valid Participant direction to the contrary, the Named Fiduciary directs Fidelity to retain the dividend in the Stock Fund and use any dividend to allocate additional shares of such fund to the accounts of affected Participants. Fidelity shall pay out or reinvest the dividend in accordance with Cash Dividend Operating Procedures.

A stock purchase account ("SPA") shall be established to support processing transactions in the Stock Fund. The SPA may hold shares of Sponsor Stock; any non-stock balances in the SPA shall be held in Fidelity Cash Reserves.

Acquisition Limit

Pursuant to the Plan, the Trust may be invested in Sponsor Stock to the extent necessary to comply with investment directions under the Trust Agreement and the Master Services Agreement. Sponsor or Named Fiduciary shall be responsible for providing specific direction on any acquisition limits required by the Plan or applicable law.

Fiduciary Duty

Fidelity shall not be liable for any loss or expense arising from directions of the Named Fiduciary with respect to the acquisition and holding of Sponsor Stock, unless it is clear on their face that the actions to be taken under those directions would be prohibited by the foregoing fiduciary duty rules or would be contrary to the terms of the Trust Agreement or ERISA.

Each Participant with an interest in Sponsor Stock (or, if the Participant is deceased, his Beneficiary) is, for purposes hereof, hereby designated as a "named fiduciary" (within the meaning of Section 403(a)(1) of ERISA), with respect to shares of Sponsor Stock allocated to his or her account but not purchased at his or her direction, and such Participant (or Beneficiary) shall have the right to direct Fidelity as to how Fidelity is to vote or tender such shares.

Voting and Tender (or Exchange) Offers

Notwithstanding any other provision of the Trust Agreement, the provisions of this Section shall govern the voting and tendering of Sponsor Stock. Sponsor shall pay for all printing, mailing, tabulation and other costs associated with the voting and tendering of Sponsor Stock. Fidelity, after consultation with Sponsor, shall prepare any necessary documents associated with the voting and tendering of Sponsor Stock for the Trust.

<u>Voting</u>

When the issuer of Sponsor Stock prepares for any annual or special meeting, Sponsor shall notify Fidelity at least 30 days before the intended record date and cause a copy of all proxy solicitation

materials to be sent to Fidelity. If Fidelity requests, Sponsor shall certify to Fidelity that the aforementioned materials represent the same information distributed to shareholders of Sponsor Stock. Based on these materials, the Trustee shall prepare a voting instruction form and shall provide a copy of all proxy solicitation materials to be sent to each Participant with an interest in Sponsor Stock held in the Trust, together with the foregoing voting instruction form to be returned to the Trustee or its designee. The form shall show the proportional interest in the number of full and fractional shares of Sponsor Stock credited to the Participant's subaccounts held in the Stock Fund.

Each Participant with an interest in the Stock Fund shall have the right to direct Fidelity as to how Fidelity is to vote (including not to vote) that number of shares of Sponsor Stock that reflects such Participant’s proportional interest in the Stock Fund (both vested and unvested). Directions from a Participant to Fidelity concerning the voting of Sponsor Stock shall be communicated in writing, or by other means agreed by Fidelity and Named Fiduciary. These directions shall be held in confidence by Fidelity and shall not be divulged to Named Fiduciary, Sponsor, or any officer or employee thereof, or any other person except to the extent that the consequences of such directions are reflected in reports regularly communicated to any such persons in the ordinary course of the performance of Fidelity’s services hereunder. Upon its receipt of the directions, Fidelity shall vote the shares of Sponsor Stock that reflect the Participant’s interest in the Stock Fund as directed by the Participant. Fidelity shall not vote shares of Sponsor Stock that reflect a Participant's interest in the Stock Fund for which Fidelity has received no direction from the Participant.

If there are any unallocated shares, Fidelity shall vote that number of shares of Sponsor Stock not credited to Participants' accounts in the same proportion on each issue as it votes those shares credited to Participants' accounts for which it received voting directions from Participants.

Tender or Exchange Offers

Upon commencement of a tender or exchange offer for any securities held in the Trust that are Sponsor Stock, Named Fiduciary shall timely notify Fidelity before the intended tender date and cause a copy of all materials to be sent to Fidelity. If Fidelity requests, Named Fiduciary shall certify to Fidelity that the aforementioned materials represent the same information distributed to shareholders of Sponsor Stock. Based on these materials, Fidelity shall prepare a tender instruction form. The tender instruction form shall show the number of full and fractional shares of Sponsor Stock reflecting the Participant’s proportional interest in the Stock Fund (both vested and unvested). Named Fiduciary shall cause tender materials to be sent to each Participant with an interest in the Stock Fund, together with the foregoing tender instruction form, such materials and form to be returned to Fidelity or a designee.

Each Participant with an interest in the Stock Fund shall have the right to direct Fidelity to tender or not to tender some or all of the shares of Sponsor Stock that reflect such Participant’s proportional interest in the Stock Fund (both vested and unvested). Directions from a Participant to Fidelity concerning the tender of Sponsor Stock shall be communicated in writing, or other means agreed by Fidelity and Named Fiduciary. These directions shall be held in confidence by Fidelity and shall not be divulged to Named Fiduciary, Sponsor, or any officer or employee thereof, or any other person, except to the extent that the consequences of such directions are reflected in reports regularly communicated to any such persons in the ordinary course of the performance of Fidelity's services hereunder. Fidelity shall tender or not tender shares of Sponsor Stock as directed by the Participant. Fidelity shall not tender shares of Sponsor Stock that reflect a Participant’s proportional interest in the Stock Fund for which it has received no direction from the Participant.

If there are unallocated shares of Sponsor Stock, Fidelity shall tender shares of Sponsor Stock not credited to Participants' accounts in the same proportion as it tenders shares of Sponsor Stock credited to Participants' accounts.

A Participant who has directed Fidelity to tender some or all of the shares of Sponsor Stock that reflect the Participant's proportional interest in the Stock Fund may, before the tender (or exchange) offer withdrawal date, direct Fidelity to withdraw some or all of such tendered shares, and Fidelity shall withdraw the directed number of shares from the tender (or exchange) offer before the tender (or exchange) offer withdrawal deadline. If there are any unallocated shares of Sponsor Stock, then before the withdrawal deadline, if any shares of Sponsor Stock not credited to Participants' accounts have been tendered, Fidelity shall redetermine the number of shares of Sponsor Stock that would be tendered under the preceding paragraph if the date of the foregoing withdrawal were the date of determination, and withdraw from the tender (or exchange) offer the number of shares of Sponsor Stock not credited to Participants' accounts necessary to reduce the amount of tendered Sponsor Stock not credited to Participants' accounts to the amount so redetermined. A Participant shall not be limited as to the number of directions to tender or withdraw that the Participant may give to Fidelity.

A Participant direction to Fidelity to tender shares of Sponsor Stock that reflect the Participant's proportional interest in the Stock Fund shall not be considered a written election under the Plan by the Participant to withdraw, or have distributed, any or all of his withdrawable shares. Fidelity shall credit to each proportional interest of the Participant from which the tendered shares were taken the proceeds received by Fidelity in exchange for the shares of Sponsor Stock tendered from that interest. Pending receipt of direction (through the Administrator) from the Participant or the Named Fiduciary, as provided in the Plan, as to which of the remaining investment options the proceeds should be invested in, Fidelity shall invest the proceeds in the investment option specified for such purpose in Attachment A to this Master Services Agreement.

General

With respect to all shareholder rights other than the right to vote, the right to tender, and the right to withdraw shares previously tendered, in the case of Sponsor Stock, Fidelity shall follow the directions of the Participant and if no such direction is received, the direction of Named Fiduciary. Fidelity shall have no duty to solicit Participant direction but may do so following procedures set forth in the subsection entitled

"Voting" above.

Conversion

All provisions in this Section I shall also apply to any securities received as a result of a conversion of Sponsor Stock.

Exhibit 10.66

FIRST AMENDMENT TO TRUST AGREEMENT BETWEEN FIDELITY MANAGEMENT TRUST COMPANY AND TRUIST FINANCIAL CORPORATION

THIS FIRST AMENDMENT, dated July 15, 2020, by and between Fidelity Management Trust Company (the "Trustee") and Truist Financial Corporation (the "Sponsor");

WITNESSETH:

WHEREAS, the Trustee and the Sponsor heretofore entered into a Qualified Trust Agreement ("Trust Agreement") dated July 15, 2020, with regard to the Truist Financial Corporation 401(k) Savings Plan (the "Plan"); and

WHEREAS, the Trustee and the Sponsor now desire to amend said Trust Agreement as provided for in Section 14 of the Master Services Agreement dated May 1, 2020;

NOW THEREFORE, in consideration of the above premises, the Trustee and the Sponsor hereby amend the Trust Agreement by:

1. ***Removing*** the last sentence of the second paragraph of the "Voting" subsection within **I. Sponsor Stock** of "Schedule A to the Qualified Trust Agreement", which currently states:

> Fidelity shall not vote shares of Sponsor Stock that reflect a Participant's interest in the Stock Fund for which Fidelity has received no direction from the Participant.

and ***replacing*** with:

> Client and Administrator direct Fidelity to vote shares of Sponsor Stock that reflect a Participant's interest in the Stock Fund for which Fidelity has received no directions from the Participant in the same proportion on each issue as it votes those shares that reflect all Participants' interests in the Stock Fund (in the aggregate) for which it received voting instructions from Participants.

IN WITNESS WHEREOF, the Trustee and the Sponsor have caused this Amendment to be executed by their duly authorized officers effective as of the day and year first above written. By signing below, the undersigned represent that they are authorized to execute this document on behalf of the respective parties. Notwithstanding any contradictory provision of the agreement that this document amends, each party may rely without duty of inquiry on the foregoing representation. This Amendment may contain service and/or compensation information intended by Trustee to satisfy the requirements of Department of Labor regulation Section 2550.408b-2(c)(1) and which require review by the responsible plan fiduciary.

TRUIST FINANCIAL CORPORATION	**FIDELITY MANAGEMENT TRUST COMPANY**
By: Ellen Fitzsimmons 9/11/2020	By: /s/ Jennifer Bennet 9/18/2020 | 1:28 PM EDT
Authorized signatory Date:	FMTC Authorized Signatory Date

Exhibit 10.69

FIRST AMENDMENT TO THE
BB&T CORPORATION
AMENDED AND RESTATED NON-EMPLOYEE DIRECTORS'
DEFERRED COMPENSATION PLAN
(January 1, 2005 Restatement)

WHEREAS, BB&T Corporation (the "Corporation") sponsors the BB&T Corporation Amended and Restated Non-Employee Directors' Deferred Compensation Plan for the benefit of certain of its directors nd their beneficiaries, restated effective as of January 1, 2005, to comply with certain statutory requirements (as amended and restated, the "Plan"); and

WHEREAS, the Corporation desires to amend the Plan to reflect (i) the corporate merger of SunTrust Banks, Inc. into the Corporation pursuant to the Agreement and Plan of Merger by and between SunTrust Banks, Inc. and BB&T Corporation dated February 7, 2019 (the "Agreement"), and (ii) the name change of the plan sponsor to Truist Financial Corporation, effective as of Closing Date as defined in the Agreement (the "Closing Date");

NOW, THEREFORE, the Plan is hereby amended, effective as of the Closing Date (unless otherwise noted below), as follows:

1. Section 1.1 of the Plan is amended to add the following sentence to the end thereof, to read as follows:

   Effective as of the Closing Date, as defined in the Agreement and Plan of Merger by and between SunTrust Banks, Inc. and BB&T Corporation dated February 7, 2019 (the "Closing Date"), SunTrust Banks, Inc. will merge with and into the Company, and the Company shall become the Truist Financial Corporation.

2. Section 2.4 of the Plan is amended to add the following sentence to the end thereof, to read as follows:

   On or after the Closing Date, all references in the Plan to "BB&T Corporation" and "BB&T" shall instead refer to "Truist Financial Corporation", a North Carolina corporation with its principal office at Charlotte, North Carolina, or any

successor thereto by merger, consolidation, or otherwise, and “TFC”, respectively.

3. Section 2.25 of the Plan is amended in its entirety, to read as follows:

"Plan" means the Truist Financial Corporation Non-Employee Directors’ Deferred Compensation Plan, an unfunded, non-qualified deferred compensation plan as herein restated or as duly amended from time to time.

Executed on this __6___ day of November, 2019.

BB&T CORPORATION

By: _____/s/ Chris Henson_____

Title: President and Chief Operating Officer

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

As of December 31, 2020

Truist Financial Corporation, a North Carolina corporation, is a FHC. The table below sets forth information with regards to certain subsidiaries of the registrant. Certain subsidiaries are not included in reliance on Item 601(b)(21)(ii) of SEC Regulation S-K.

Subsidiary	State or Jurisdiction of Organization	Additional Names Under Which it does Business
Truist Bank	North Carolina	BB&T BB&T Capital Markets BB&T Mortgage Warehouse Lending Cohen Financial Cohen Financial Services LightStream LightStream Lending Pillar Financial Sheffield Financial Company SunTrust SunTrust Bank SuntTrust Dealer Financial Services SunTrust Mortgage Truist Truist Bank Company Truist Bank Inc.
BB&T Institutional Investment Advisers, Inc.	South Carolina	
CB Finance, Inc.	Delaware	
CM Finance, L.L.C	Delaware	
STB Real Estate Parent (MA), Inc	Delaware	
SunTrust Real Estate Investment Corporation	Delaware	
STB Real Estate Holdings (Commercial), Inc	Delaware	
STB Real Estate Holdings (Household Lending), Inc	Delaware	
Truist Community Capital, LLC	Georgia	
Truist Insurance Holdings, Inc.	Delaware	
AmRisc, LLC	Delaware	
CRC Insurance Services, Inc.	Alabama	
Crump Life Insurance Services, Inc	Pennsylvania	
McGriff Insurance Services, Inc.	North Carolina	
McGriff, Seivels & Williams, Inc.	Alabama	
BB&T Securities, LLC	Delaware	BB&T Capital Markets BB&T Investments BB&T Scott & Stringfellow BB&T Sterling Advisors
GenSpring Holdings, Inc.	Florida	
GFO Advisory Services, LLC	Florida	GenSpring GenSpring Family Offices, LLC
MBT, Ltd	Bermuda	
Sterling Capital Management LLC	North Carolina	
SunTrust Delaware Trust Company	Delaware	
SunTrust Insurance Services, Inc	Georgia	SunTrust Insurance Agency
Truist Advisory Services, Inc	Delaware	
Truist Investment Services, Inc	Georgia	
Truist Securities, Inc.	Tennessee	

EXHIBIT 22

LIST OF SUBSIDIARY ISSUERS OF GUARANTEED SECURITIES

Truist Financial Corporation ("TFC") has guaranteed the payment of certain amounts due with respect to the securities of its subsidiary described below.

Issuer	Securities
SunTrust Preferred Capital I, a Delaware statutory trust	5.853% Fixed-to-Floating Rate Normal Preferred Purchase Securities, each representing a 1/100th interest in a share of TFC Series J Non-Cumulative Perpetual Preferred Stock (NYSE: TFC.PJ)

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on:

Form S-3 Nos.	Form S-8 Nos.
033-57861	333-50035
333-27755	333-69823
333-35879	333-81471
333-219092	333-104934
333-219379	333-116488
333-233483	333-118152
333-239673	333-118153
	333-118154
	333-147923
	333-147924
	333-158895
	333-158896
	333-181692
	333-197042
	333-207147
	333-218234
	333-235414

of Truist Financial Corporation of our report dated February 24, 2021 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
February 24, 2021

Exhibit 31.1

CERTIFICATIONS

I, Kelly S. King, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: February 24, 2021

/s/ Kelly S. King

Kelly S. King
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Daryl N. Bible, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: February 24, 2021

/s/ Daryl N. Bible

Daryl N. Bible
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 Annual Report on Form 10-K for the fiscal period ended December 31, 2020 (the "Form 10-K") 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-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 24, 2021

/s/ Kelly S. King
Kelly S. King
Chairman and Chief Executive Officer

/s/ Daryl N. Bible
Daryl N. Bible
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.