



September 29, 2022

William H. Rogers, Jr.  
Chief Executive Officer  
Truist Financial Corporation  
214 North Tryon Street  
Charlotte, North Carolina 28202

Dear Mr. Rogers,

On or before September 29, 2021, the Board of Governors of the Federal Reserve System (Board) and the Federal Deposit Insurance Corporation (FDIC) (together, the Agencies) received the full resolution plan submission (2021 Full Plan) of Truist Financial Corporation (the Covered Company), as required by section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (Dodd-Frank Act), 12 U.S.C. § 5365(d), and the jointly issued implementing regulation, 12 CFR Part 243 and 12 CFR Part 381, as amended (Resolution Plan Rule).

The Agencies have reviewed the 2021 Full Plan, taking into consideration section 165(d) of the Dodd-Frank Act; the Resolution Plan Rule; the feedback letters dated March 29, 2019, that the Agencies provided to the two financial institutions that merged to form the Covered Company regarding their 2017 resolution plan submissions; and certain other information available to the Agencies. The Agencies did not identify as a result of this review shortcomings or deficiencies in the Covered Company's 2021 Full Plan. Nonetheless, the Agencies have noted

areas where further progress is needed to improve the preparation of the Covered Company for a rapid and orderly resolution, as discussed in section II below.

Under the Resolution Plan Rule, the Covered Company is required to submit a full resolution plan on or before July 1, 2024 (2024 Full Plan). The Agencies anticipate issuing guidance in advance of the 2024 Full Plan submission deadline to triennial full filers that are not already subject to resolution planning guidance, including the Covered Company, to assist in the development of their 2024 Full Plan submissions.

## **I. Background**

Section 165(d) of the Dodd-Frank Act as amended requires that each bank holding company with \$250 billion or more in total consolidated assets, certain bank holding companies with total consolidated assets of between \$100 billion and \$250 billion, and each designated nonbank financial company report to the Agencies the plan of such company for its rapid and orderly resolution in the event of material financial distress or failure.<sup>1</sup> A firm, such as the Covered Company, that is a triennial full filer under the Resolution Plan Rule is required to file a resolution plan every three years, alternating between full and targeted resolution plans.<sup>2</sup>

On November 19, 2019, the Board approved the application by BB&T Corporation (BB&T), Winston-Salem, North Carolina, to merge with SunTrust Banks, Inc. (SunTrust), Atlanta, Georgia, with BB&T as the survivor.<sup>3</sup> In connection with BB&T's application, BB&T

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<sup>1</sup> In addition, section 401(f) of the Economic Growth, Regulatory Relief, and Consumer Protection Act provides that any bank holding company, regardless of asset size, that is identified as a global systemically important bank holding company under 12 CFR § 217.402 shall be considered a bank holding company with \$250 billion or more in total consolidated assets with respect to the application of standards or requirements under section 165 of the Dodd-Frank Act. 12 U.S.C. § 5365 note.

<sup>2</sup> 12 CFR §§ 243.4(b) and 381.4(b).

<sup>3</sup> *BB&T Corporation*, FRB Order No. 2019-16 (Nov. 19, 2021). BB&T subsequently changed its legal name to Truist Financial Corporation.

committed that it would, among other things, submit a full resolution plan as its next resolution plan. Accordingly, the Covered Company submitted the 2021 Full Plan.

Under section 165(d) of the Dodd-Frank Act, the Agencies may jointly determine, based on their review, that a firm's resolution plan is not credible or would not facilitate an orderly resolution of the company under Title 11 of the United States Code (U.S. Bankruptcy Code).<sup>4</sup> For a firm, such as the Covered Company, that is incorporated or organized in the United States, rapid and orderly resolution means a reorganization or liquidation of the covered company under the U.S. Bankruptcy Code that can be accomplished within a reasonable period of time and in a manner that substantially mitigates the risk that the failure of the covered company would have serious adverse effects on financial stability in the United States.

Under the Resolution Plan Rule, the Agencies can jointly identify shortcomings or deficiencies in a covered company's resolution plan.<sup>5</sup> The Resolution Plan Rule also provides processes by which shortcomings or deficiencies jointly identified by the Agencies in a resolution plan may be remedied.

## **II. Results of the Agencies' Review of the 2021 Full Plan**

Based upon their review of the Covered Company's plan, as well as resolution plans submitted by other triennial full filers, the Agencies anticipate issuing guidance to assist the triennial full filers that are not already the subject of resolution planning guidance, including the Covered Company, in the development of their 2024 Full Plan submissions. In particular, in reviewing the Covered Company's plan the Agencies identified a number of aspects where

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<sup>4</sup> 12 U.S.C. § 5365(d)(4).

<sup>5</sup> 12 CFR §§ 243.8(b), (e) and 381.8(b), (e).

further progress could improve preparations for a rapid and orderly resolution in the event of its material financial distress or failure:

- To the extent that a resolution strategy utilizes a bridge depository institution a plan should explain how all requirements for the bridge's creation and operation are satisfied, including how this strategy for resolving the insured depository institution can be demonstrated to be the least costly to the Deposit Insurance Fund.
- To the extent that a resolution strategy utilizes a bridge depository institution a plan should provide one or more options for exit from the bridge depository institution that are well-founded, based on verifiable information and data, and employ reasonable projections from current and historical conditions within the broader financial markets.
- A firm should calculate the liquidity needs of material entities during resolution, analyze how those needs will be met, and present this information in the resolution plan.

These and other potential improvements to resolvability are appropriate topics for this future resolution planning guidance, which the Agencies intend to make available for public comment and will endeavor to finalize no later than one year prior to the deadline for the next resolution plan submission of the triennial full filers.

In addition, in its 2021 Full Plan, the Covered Company self-identified several initiatives in process to enhance the firm's resolvability following the merger of SunTrust and BB&T. These actions include aligning the language of intercompany agreements, integrating information technology systems and data, developing data room readiness, and consolidating system-

generated reporting capabilities. The 2024 Full Plan should confirm completion of these initiatives. For any actions that remain in progress or were altered in implementation, the Covered Company should explain how these efforts impact the resolution of material entities and any mitigating actions the Covered Company has taken to address any resulting impediments to resolution.

### **III. Conclusion**

The resolvability of firms will change as markets and firms' activities, risk profiles, and structures change. In addition to further actions to enhance its current resolvability, the Agencies expect the Covered Company to continue to address the resolution consequences of these changes and its day-to-day management decisions to fulfill its obligation to enable the rapid and orderly resolution of the Covered Company under the U.S. Bankruptcy Code.

If you have any questions about the information communicated in this letter, please contact the Agencies.

Sincerely,

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Ann E. Misback  
Secretary of the Board  
Board of Governors of the Federal Reserve  
System

Sincerely,

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Debra A. Decker  
Executive Secretary  
Federal Deposit Insurance Corporation