STATEMENT OF FINANCIAL CONDITION AND SUPPLEMENTAL INFORMATION

Truist Securities, Inc.
(A Wholly Owned Subsidiary of Truist Financial Corporation)
Unaudited as of June 30, 2021

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Statement of Financial Condition and Supplemental Information

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Contents

Truist Securities, Inc.
(A Wholly Owned Subsidiary of Truist Financial Corporation)

Statement of Financial Condition

Unaudited as of June 30, 2021
(In Thousands, Except Share Amounts)

Assets		
Cash and cash equivalents	$	14,265
Securities segregated under Federal and other regulations		29,994
Deposits with clearing organizations		34,827
Receivables from brokers and dealers		19,057
Customer receivables		7,602
Due from related parties		160
Securities purchased under agreements to resell		513,705
Securities borrowed		664,458
Securities owned and derivatives (including encumbered securities of $2,172,879)		3,711,879
Goodwill and other intangibles, net of accumulated amortization of $6,636		178,246
Accrued interest and other income receivable		116,226
Net deferred tax assets		12,526
Right of use assets		25,920
Fixed assets, less accumulated depreciation and amortization of $11,909		11,988
Other assets		7,555
Total assets		5,348,408
Liabilities and shareholder's equity		
Liabilities		
Securities sold under agreements to repurchase		2,152,033
Securities sold but not yet purchased and derivatives		1,150,859
Lines of credit payable to related parties		141,693
Accrued interest payable and other liabilities		22,601
Accrued compensation and benefits		51,149
Income taxes payable to parent		14,286
Payables to brokers and dealers		25,912
Customer payables		11,408
Lease liabilities		31,621
Net payable for unsettled securities transactions		88,066
Due to related parties		3,492
Total liabilities		3,693,120
Shareholder's equity		
Common stock, $1 par value; 100,000 shares authorized, issued, and outstanding		100
Additional paid-in capital		1,217,803
Retained earnings		437,385
Total shareholder's equity		1,655,288
Total liabilities and shareholder's equity	$	5,348,408

The accompanying notes are an integral part of this financial statement.

Truist Securities, Inc.
(A Wholly Owned Subsidiary of Truist Financial Corporation)

Statement of Changes in Shareholder's Equity

Unaudited as of June 30, 2021
(In Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance, December 31, 2020	$ 100	$ 1,200,657	$ 241,823	$ 1,442,580
Net Income	–	–	195,562	195,562
Capital contribution from parent	–	17,146	–	17,146
Balance, June 30, 2021	$ 100	$ 1,217,803	$ 437,385	$ 1,655,288

The accompanying notes are an integral part of this financial statement.

1. Organization and Nature of Business

Truist Securities, Inc. (the Company) is a wholly owned subsidiary of Truist Financial Corporation (the Parent). The Company's operations consist of buying and selling securities for its customers and its own account and certain underwriting and other brokerage activities. The Company's corporate finance function arranges public and private debt and equity placement services and other products for its customers. In addition, the Company is an active underwriter of debt for municipalities and not-for-profit institutions. The Company is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA).

The Company self-clears fixed-income transactions. The Company introduces equity transactions on a fully disclosed basis through a third-party clearing broker.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("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 period. Actual results could vary from those estimates.

Cash and Cash Equivalents

The Company has defined cash and cash equivalents as highly liquid investments with original maturities of less than 90 days that are not held for sale in the ordinary course of business. The carrying amounts of cash and cash equivalents approximate their fair values.

Deposits with Clearing Organizations

Participants in clearing organizations are required to maintain a minimum cash deposit as part of their daily clearing fund requirement. The calculation of the amount required to be on deposit is based on the outstanding trades through the clearing organization.

Goodwill and Other Intangibles

The Company principally operates in one segment where all the assets and liabilities have been assigned to the single reporting unit. The Company tests goodwill on an annual basis on October 1 for impairment and as events occur or circumstances change that would more-likely-than-not reduce the fair value below its carrying amount. There were no such impairments for the six months ended June 30, 2021. Other intangible assets, which are determined to have finite lives, are amortized over their useful lives based upon estimated economic benefits received. The following table presents the changes in the carrying amount of goodwill and other intangibles for the six months ended June 30, 2021:

	Goodwill	Intangibles	Total
Balance, December 30, 2020	$ 169,927	$ 9,463	$ 179,390
Amortization		(1,144)	(1,144)
Balance, June 30, 2021	$ 169,927	$ 8,319	$ 178,246

Collateralized Securities Transactions

Securities purchased under agreements to resell and securities sold under agreements to repurchase are carried at the contractual amounts at which the securities will be subsequently resold or repurchased. It is the Company's policy to take possession of or control of securities purchased under agreements to resell at the time these agreements are entered into. The counterparties to these agreements typically are primary dealers of U.S. government securities and financial institutions. Collateral is valued daily, and additional collateral is obtained from or refunded to counterparties when appropriate.

Securities borrowed result from transactions with other broker-dealers or financial institutions and are recorded at the amount of cash collateral advanced. Securities borrowed transactions require the Company to deposit cash with the lender. The Company monitors the fair value of securities borrowed on a daily basis, with additional collateral obtained or refunded as necessary.

Interest accrued on securities purchased under agreements to resell and securities borrowed transactions is included in accrued interest and other income receivable in the statement of financial condition. Interest accrued on securities sold under agreements to repurchase is included in accrued interest payable and other liabilities on the statement of financial condition. The carrying amount of collateralized securities transactions is deemed to be a reasonable estimate of their fair value. For additional information on the Company's activities related to collateralized securities transactions see Note 6, *Securities Purchased Under Agreements to Resell, Securities Borrowed, and Securities Sold Under Agreements to Repurchase.*

Securities Owned, Securities Sold but Not Yet Purchased

Realized gains on the sales of securities are generally determined based on the sale of positions held on a first-in, first-out basis. Unless otherwise indicated, trading assets are priced by the trading desk and independently validated against pricing received from third party pricing sources. Equity securities owned are valued at the last reported price on the exchange that they trade. Securities not readily marketable are valued at their estimated fair value based on quoted bid prices or using pricing models, as determined by management. However, short positions are valued at their last quoted ask price. Amounts receivable and payable for regular-way securities transactions that have not reached their contractual final settlement date are recorded in net payables for unsettled securities transactions on the statement of financial condition.

Sales of securities not yet purchased represent an obligation of the Company to deliver specified securities at a predetermined date and price. The Company will be obligated to acquire the required securities at prevailing market prices in the future to satisfy this obligation. For additional information on the Company's activities related to securities owned, securities sold but not yet purchased, and derivatives see Note 7, *Fair Value of Financial Instruments.*

Leases

The Company leases certain assets, consisting primarily of real estate, and assesses at contract inception whether a contract is, or contains, a lease. A right-of-use asset and lease liability is recorded on the balance sheet for all leases except those with an original lease term of twelve months or less. There were no material impairments for the six months ended June 30, 2021. For additional information on the Company's activities related to leases see Note 8, *Leases*.

Fixed Assets

Fixed assets are recorded at historical cost. Depreciation of furniture and equipment is computed predominantly using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is computed using the straight-line method over the lesser of the economic useful life of the improvement or the term of the lease. The Company reviews its long-lived assets, primarily leasehold improvements and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. There were no such impairments for the six months ended June 30, 2021. For additional information on the Company's activities related to fixed assets see Note 9, *Fixed Assets.*

Related Party Transactions

Both the Parent and Truist Bank ("TB") provide certain services and staff support functions for their affiliates and the Company pays a fee for those services. The Company earns revenue from affiliates for providing certain corporate finance, underwriting, and trading services. For additional information on the Company's related party transactions see Note 11, *Transactions with Related Parties*.

Income Taxes

The Company's operating results are included in the consolidated federal income tax return and various consolidated or combined state income tax returns filed by Parent. The method of allocating federal income tax expense is determined under tax allocation agreements between the Company and the Parent. The allocation agreements specify that the Company’s income taxes are calculated as if the Company filed separate income tax returns with appropriate adjustments to properly reflect the impact of a consolidated filing. Payments to tax authorities are made by Parent.

Credit Losses

The Company’s accounts for estimated credit losses on financial assets measured on an amortized cost basis in accordance with ASC Topic 326-20. This topic requires the Company to estimate expected credit losses over the life of its financial assets as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts. No expected credit losses have been recorded under ASC Topic 326-20 for the six months ended June 30, 2021. Below is a description of the various types of financial assets that within the scope of ASC Topic 326-20.

Receivables

The Company’s receivables include amounts from underwriting and corporate finance activity, securities failed to deliver and other receivables with customers and broker-dealers, accrued interest, as well as cash deposits with clearing organizations. These amounts are short-term in nature. The Company also presents a net amount payable for unsettled securities transactions. As noted in ASC 940-320-05-4, the risk of nonperformance of regular-way settling trades is minimal, given the following: (a) they are fully collateralized on the trade date, (b) the period of time between trade and settlement date is reasonably short, and (c) most securities are affirmed by both parties to the trade and settle net through a clearing entity. Accordingly, receivables and payables arising from these unsettled regular-way transactions may be recorded net. The Company continually reviews the credit quality of its counterparties and monitors the aging of receivables.

Securities purchased under agreements to resell and securities borrowed.

Securities purchased under agreement to resell and securities borrowed transactions require the Company to deliver cash in exchange for securities. Interest on such contract amounts is accrued and is included in the statement of financial condition in accrued interest and other income receivable. The Company has established policies and procedures for mitigating credit risk on these transactions that include (a) reviewing and establishing limits for credit exposure, (b) monitoring the market value of securities purchased or borrowed and obtaining additional collateral as necessary to ensure appropriate collateralization, and (c) continually assessing the creditworthiness of counterparties. Where eligible, the Company applies the collateral maintenance practical expedient in estimating any allowance for credit losses. The Company determines if it is eligible for the collateral maintenance practical expedient and considers the credit quality of these assets and the related need for an allowance for credit losses. These determinations and considerations are based on several factors: the daily revaluation of the underlying collateral used to secure the contract amounts, the counterparty's continuing ability to meet additional collateral requests, and the Company's right to sell the securities collateralizing the contract amounts when additional collateral requests are not met by the counterparty or the contract amounts are not returned on demand. Where not eligible for this practical expedient, any potential expected credit losses would be limited to the Company's net exposure after consideration of the market value of collateral. The entirety of this net exposure has an open or overnight maturity, which provides the Company with the option to either re-price or close out transactions on a daily basis. The option mitigates any risk extending beyond one day. For more information on these transactions, see Note 6, *Securities Purchased Under Agreements to Resell, Securities Borrowed, and Securities Sold Under Agreements to Repurchase*.

Revenue Recognition

The Company's contracts with customers generally do not contain terms that require significant judgment to determine the amount of revenue to recognize, the timing of when performance obligations to the customer are satisfied., or the amount of costs incurred to obtain or fulfill a contract with a customer.

Corporate finance fees, which primarily include in-scope M&A, investment services, and remarketing fees as well as out of scope loan syndication fees, are negotiated based on specific services offered. The execution of in scope services related to these fees represents the completion of the related performance obligations with payments for these services settling shortly after execution, and the related expense is recorded gross of revenue.

Underwriting fees are recorded as the performance obligations are completed 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. The Company acts in a principal capacity in these transactions as it is responsible for selling its portion of the underwriting and is liable for the proportionate costs of the underwriting. The transaction price is based on a percentage of the total transaction amount and payments are settled shortly after the trade date.

Commissions are earned primarily for trade execution services, which represent the Company's performance obligation. The Company satisfies its performance obligation on the trade date. Payments are settled shortly after trade date.

The Company has elected the practical expedient to exclude disclosure of unsatisfied performance obligations for contracts with an original expected length of one year or less. At June 30, 2021, the Company does not have any material contract assets or liabilities. The amount of receivables from contracts with customers within the scope of ASC Topic 606 was $95.0 million and is presented in accrued interest and other income receivable on the statement of financial condition.

The Company recognizes trading gains, net of losses, from the purchase, sale, and fair value changes of securities. These trading gains, net of losses are outside of the scope of ASC Topic 606. For additional information see section regarding securities owned, securities sold but not yet purchased, and derivatives in Note 2, *Summary of Significant Accounting Policies,* and Note 7, *Fair Value of Financial Instruments*.

3. Accounting Policies Recently Adopted and Pending Accounting Pronouncements

There were no standards adopted during the current year that had a material effect on the Company's Statement of Financial Condition, and no standards not yet adopted by the Company that are expected to have a material effect on the Company's Statement of Financial Condition.

4. Subsequent Events

The Company evaluated subsequent events through the date this financial statement was issued. Based upon this evaluation no material events or transactions occurred that require recognition or disclosure in these financial statements.

5. Securities Segregated Under Federal and Other Regulations

At June 30, 2021, a U.S. Treasury security with a fair value of $30.0 million has been segregated in a special reserve account for the exclusive benefit of customers of the Company under SEC Rule 15c3-3.

6. Securities Purchased Under Agreements to Resell, Securities Borrowed, and Securities Sold Under Agreements to Repurchase

Securities purchased under agreements to resell and securities sold under agreements to repurchase are collateralized primarily by U.S. government or agency securities. Securities borrowed are collateralized primarily by corporate securities. These securities purchased under agreements to resell, securities borrowed, and securities sold under agreements to repurchase are carried at the amounts at which the securities will be subsequently resold or repurchased. Securities borrowed are primarily used to cover firm short positions. Securities purchased under agreements to resell are used to cover firm short positions or are subsequently sold under agreements to repurchase to earn a spread. Securities sold under agreements to repurchase are primarily used to fund firm trading inventory. The Company takes possession of all securities purchased under agreements to resell and securities borrowed and performs appropriate margin evaluation on the acquisition date based on market volatility, as necessary. 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 aforementioned agreement. The Company has policies and procedures to manage market risk associated with client trading and assumes a limited degree of market risk by managing the size and nature of its exposure.

The following is a summary of repurchase agreements and the fair market value of related collateral pledged as of June 30, 2021 (in thousands):

	Overnight Maturities	Term < 30 days	Total	Fair Market Value of Collateral
U.S. government and agency obligations	$ 1,624,733	$ 187,093	$ 1,811,826	$ 1,834,746
Corporate debt and other securities	263,300	76,907	340,207	360,863
Total collateral pledged	$ 1,888,033	$ 264,000	$ 2,152,033	$ 2,195,609

Securities purchased under agreements to resell and securities sold under agreements to repurchase are governed by a master repurchase agreement. Under the terms of the master repurchase agreement, all transactions between the Company and the counterparty constitute a single business relationship such that in the event of default, the non-defaulting party is entitled to set off claims and apply property held by that party in respect of any transaction against obligations owed. Any payments, deliveries, or other transfers may be applied against each other and netted. These amounts are limited to the contract asset/liability balance, and accordingly, do not include excess collateral received/pledged. None of the Company's repurchase and reverse repurchase transactions met the right of setoff criteria at June 30, 2021.

The following table includes the amount of collateral pledged or received related to exposures subject to enforceable master repurchase agreements as of June 30, 2021. While these agreements are typically over-collateralized, GAAP requires disclosure in this table to limit the amount of such collateral to the amount of the related recognized asset or liability for each counterparty.

(In thousands)	Gross Amount	Amount Offset	Net Amount Presented in the Statement of Financial Condition	Held/Pledged Financial Instruments	Net Amount
Assets					
Securities purchased under agreements to resell	$ 513,705	$ -	$ 513,705	$ 512,559	$ 1,146
Securities borrowed	664,458	-	664,458	643,737	20,721
Total Assets	$ 1,178,163	$ -	$ 1,178,163	$ 1,156,296	$ 21,867
Liabilities					
Securities sold under agreements to repurchase	$ 2,152,033	$ -	$ 2,152,033	$ 2,148,136	$ 3,897
Toal Liabilities	$ 2,152,033	$ -	$ 2,152,033	$ 2,148,136	$ 3,897

7. Fair Value of Financial Instruments

The Company’s recurring fair value measurements are based on a requirement to carry certain assets and liabilities at fair value. The carrying value of financial instruments presented on the statement of financial condition that are not measured at fair value approximates fair value. Assets and liabilities that are required to be measured at fair value on a recurring basis include securities owned, securities segregated under Federal and other regulations, and securities sold but not yet purchased, and are classified, on the basis of the measurement inputs employed, as level 1, 2, or 3 within the fair value hierarchy as follows:

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 and significant value drivers are observable in active markets

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable

Depending on the nature of the asset or liability, the Company uses various valuation techniques and assumptions when estimating fair value. The assumptions used to estimate the value of an instrument have varying degrees of impact to the overall fair value of the asset or liability. This process involves gathering multiple sources of information including broker quotes, values provided by pricing services, trading activity in other identical or similar securities, market indices, and pricing matrices. The process also employs various modeling techniques, such as discounted cash flow analyses, to arrive at the best estimate of fair value. When observable market prices for the asset or liability are not available, the Company employs various modeling techniques, such as discounted cash flow analyses, to estimate fair value. Models used to produce material financial reporting information are validated prior to use and following any material change in methodology. Their performance is monitored at least quarterly, and any material deterioration in model performance is escalated.

The Company has formal processes and controls in place to support the appropriateness of its fair value estimates, including an independent price validation function that provides oversight for these estimates. For level 2 instruments and certain level 3 instruments the validation generally involves evaluating pricing received from two or more third party pricing sources that are widely used by market participants. The Company evaluates this pricing information from both a qualitative and quantitative perspective and determines whether any pricing differences exceed acceptable thresholds. If thresholds are exceeded, the Company assesses the differences between the valuation approaches used. The assessment may include contacting a pricing service to gain further insight into the valuation of a particular security or class of securities to resolve the pricing variance, which could result in an adjustment to the price used for financial reporting purposes.

The Company classifies instruments within level 2 in the fair value hierarchy when it determines that external pricing sources estimated fair value using prices for similar instruments trading in active markets. A wide range of quoted values from pricing sources may imply a reduced level of market activity and indicate that significant adjustments to price indications have been made. In such cases, the Company evaluates whether the asset or liability should be classified as level 3.

Determining whether to classify an instrument as level 3 involves judgment and is based on a variety of subjective factors, including whether a market is inactive. A market is considered inactive if significant decreases in the volume and level of activity for the asset or liability have been observed.

The following table presents securities segregated under Federal and other regulations, securities owned, securities sold but not yet purchased, and derivatives measured at fair value on a recurring basis:

	Fair Value Measurements at June 30, 2021				
(in thousands)	Level 1	Level 2	Level 3	Netting Adjustments[1]	Total Assets/Liabilities
Securities segregated under Federal and other regulations:					
U.S government and agency obligations	$ -	$ 29,994	$ -	$ -	$ 29,994
Securities owned and derivatives:					
U.S. government and agency obligations	$ -	$ 2,756,321	$ -	$ -	$ 2,756,321
Corporate debt and other securities	23,901	842,977	-	-	866,878
Commercial paper	-	50,679	-	-	50,679
State and municipal obligations	-	35,895	-	-	35,895
Derivatives	-	2,981	-	(875)	2,106
Total securities owned and derivatives	$ 23,901	$ 3,688,853	$ -	$ (875)	$ 3,711,879
Securities sold but not yet purchased and derivatives:					
U.S. government and agency obligations	$ -	$ 487,855	$ -	$ -	$ 487,855
Corporate debt and other securities	19,844	642,061	-	-	661,905
Derivatives	-	2,318	-	(1,219)	1,099
Total securities sold but not yet purchased and derivatives	$ 19,844	$ 1,132,234	$ -	$ (1,219)	$ 1,150,859

[1]Amounts represent offsetting cash collateral received from, and paid to, the same derivative counterparties, and the impact of netting derivative assets and derivative liabilities when a legally enforceable master netting agreement or similar agreement exists.

U.S. government and agency obligations

The Company classifies U.S. Treasury securities as level 2. Securities issued by federal agencies consist of debt obligations issued directly by Fannie Mae, Freddie Mac, FHLB, and FFCB in addition to debt obligations collateralized by loans that are guaranteed by the Small Business Administration (SBA) and are, therefore, backed by the full faith and credit of the U.S. government. These debt obligations are classified as level 2 in the fair value hierarchy. For SBA instruments, the Company estimated fair value based on pricing from observable trading activity for similar securities or obtained fair values from a third party pricing service; accordingly, the Company has classified these instruments as level 2.

Securities issued by GSEs such as Fannie Mae and Freddie Mac are not explicitly guaranteed by the U.S. government; however, the GSEs carry an implied rating commensurate with that of U.S. government obligations and may be required to maintain such rating through its agency agreement. In certain instances, the U.S. Treasury owns the senior preferred stock of these enterprises and has made a commitment under that stock purchase agreement to provide these GSEs with funds to maintain a positive net worth.

Pass-through securities and collateralized mortgage obligations issued by GSEs and U.S. government agencies, such as Fannie Mae, Freddie Mac, and Ginnie Mae each contain a guarantee by the issuing GSE or agency. For agency mortgage-backed securities, the Company estimated fair value based on pricing from observable trading activity for similar securities or obtained fair values from a third party pricing service; accordingly, the Company has classified these as level 2.

State and municipal obligations

The Company's investments in U.S. state and municipal obligations 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 and are predominantly highly rated. Holdings are geographically dispersed with no significant concentrations in any one state or municipality. The Company derives value for these obligations based on trading activity in secondary markets and new issue pricings in the primary market. These obligations are classified as level 2 in the fair value hierarchy.

Corporate debt and other securities

Corporate debt and other securities are predominantly debt obligations of domestic corporations and non-agency ABS securities that are classified as level 2. The Company estimates the fair value of these securities based on observable pricing from executed trades of similar instruments. The Company's other securities also include exchange-traded equity securities and money market mutual funds for which pricing is readily available and are therefore classified as level 1.

Commercial paper

The Company trades commercial paper (CP) that is generally short-term in nature (less than 30 days) and highly rated. The Company estimates the fair value of the CP based on observable pricing from executed trades of similar instruments and it is, therefore, classified as level 2 in the fair value hierarchy.

Derivatives

The Company records all contracts accounted for as derivatives at fair value in the securities owned and derivatives or securities sold but not yet purchased and derivatives in the accompanying statement of financial condition. Accounting for changes in the fair value of a derivative is dependent upon whether or not it has been designated in a formal, qualifying hedging relationship. None of the Company's derivatives have been designated in a formal, qualifying hedging relationship. The Company offsets all outstanding 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 a legally enforceable netting agreement and meet accounting guidance for offsetting treatment.

To-Be-Announced (TBA) Securities

Transactions in mortgage-backed to-be-announced (TBA) securities are considered forward contracts and are accounted for as derivatives. Therefore, they are reflected in securities owned and derivatives and securities sold but not yet purchased and derivatives on the statement of financial position. The unrealized gains and losses on these transactions are classified as level 2 in the fair value hierarchy. These instruments are used to meet the needs of customers and manage market risks, and they are subject to varying degrees of market and counterparty credit risk. The Company estimates fair value on these securities based on pricing from observable trading activity of similar securities or from a third party pricing service. At June 30, 2021, the gross notional amount of these derivatives was $1.6 billion. The gross fair value of derivative assets was $2.3 million, less $0.9 million of legally enforceable master netting agreements and no cash collateral held. The gross fair value of derivative liabilities was $1.7 million, less $0.9 million of legally enforceable master netting agreements and $0.3 million of cash collateral pledged.

When-Issued Municipal (WIM) Securities

Transactions in when-issued municipal (WIM) securities are considered forward contracts and are accounted for as derivatives. Therefore, they are reflected in securities owned and derivatives and securities sold but not yet purchased and derivatives on the statement of financial condition. The unrealized gains and losses on these transactions are classified as level 2 in the fair value hierarchy. These instruments are used to meet the needs of customers and manage market risks, and they are subject to varying degrees of market and counterparty credit risk. The Company estimates fair value on these securities based on pricing from observable trading activity of similar securities or from a third party pricing service. At June 30, 2021, the gross notional amount of the WIM derivatives was $3.7 million. The gross fair value of derivative assets was $0.1 million, and there were no WIM derivative liabilities.

Securities settling beyond regular way

Transactions in securities set to settle beyond regular-way are considered forward contracts and are accounted for as derivatives. Therefore, they are reflected in securities owned and derivatives and securities sold but not yet purchased and derivatives on the statement of financial position. The unrealized gains and losses on these transactions are classified as level 2 in the fair value hierarchy. These instruments are used to meet the needs of customers and manage market risks, and they are subject to varying degrees of market and counterparty credit risk. The Company estimates fair value on these securities based on pricing from observable trading activity of similar securities or from a third party pricing service. At June 30, 2021, the gross notional amount of these derivatives was $2.2 billion. The gross fair value of these derivative assets was $0.7 million. The gross fair value of these derivative liabilities was $0.6 million.

Interest Rate Swaps

Transactions in interest rate swaps are accounted for as derivatives. Therefore, they are reflected in securities owned and derivatives and securities sold but not yet purchased and derivatives on the statement of financial position. The unrealized gains and losses on these transactions are classified as level 2 in the fair value hierarchy. These instruments are used to manage market risks, and are subject to varying degrees of market and counterparty credit risk. The Company estimates fair value on these securities based on pricing from observable trading activity of similar securities or from a third party pricing service. At June 30, 2021, the gross notional amount of these derivatives was $54.0 million. There was no gross fair value of derivative assets or liabilities for interest rate swaps for the six months ended June 30, 2021.

8. Leases

The Company leases certain office facilities under operating leases that expire through 2025, some of which have stated rate increases. The right-of-use assets include one or more renewal options for five years or less and generally include lessee termination options. At lease commencement, the Company assesses whether it is reasonably certain to exercise a renewal option, or reasonably certain not to exercise a termination option, by considering various economic factors. Options that are reasonably certain of being exercised are factored into the determination of the lease term, and related payments are included in the calculation of the right-of-use asset and lease liability. The Company accounts for each separate lease component of a contract and its associated non-lease components as a single lease component for all of its real estate leases. Variable costs, such as maintenance expenses, property and sales taxes, and association dues, are expensed as they are incurred.

The weighted average remaining lease term for leases as of June 30, 2021 was 2.4 years. Minimum rental commitments on leases for each of the following years are as follows (in thousands):

2022	$	13,303
2023		11,959
2024		5,766
2025		419
Thereafter		-
Total minimum lease payments	$	31,447
Less: Imputed interest		174
Present value of lease liabilities	$	31,621

The Company uses its incremental borrowing rate to calculate the present value of lease payments when the interest rate implicit in the lease is not disclosed. The weighted average discount rate used to calculate the net present value of the future lease payments that determine the lease liability was 1.86% as of June 30, 2021. The right-of-use asset and lease liability are not remeasured as a result of any subsequent change in the index or rate unless remeasurement is required for another reason.

9. Fixed Assets

Fixed assets consisted of the following (in thousands):

	Useful Life	As of June 30, 2021
Leasehold improvements	1-30 years	$ 13,102
Furniture and equipment	1-20 years	8,040
Construction-in-process		2,755
		23,897
Less: Accumulated depreciation and amortization		(11,909)
Total premises and equipment		$ 11,988

10. Employee Benefits

At June 30, 2021, restricted stock units were outstanding from equity-based compensation plans that have been approved by the Parent’s shareholders and plans assumed from acquired entities. Those plans are intended to assist the Company in recruiting and retaining employees and directors and to align the interests of eligible participants with those of the Parent and its shareholders. All incentive awards are subject to clawback provisions.

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.

Generally, grants to employees vest pro-rata annually over three years. Restricted stock units granted may be subject to one or more criteria, including employment, performance, or other conditions. Compensation cost for restricted stock units is generally equal to the fair value of the shares on the grant date of the award and is amortized to compensation expense over the vesting period. Dividends are paid on awarded but unvested restricted stock. The Parent accrues and reinvests dividends in equivalent shares of the Parent's common stock for unvested restricted stock unit awards, which are paid out when the underlying restricted stock unit award vests. The Parent allocates restricted stock units expense to the Company.

11. Transactions with Related Parties

Both the Parent and Truist Bank provide certain services and staff support functions for their affiliates and the Company pays a fee for those services. The Company earns revenue from affiliates for providing certain corporate finance, underwriting, and trading services.

Balances with respect to related parties at June 30, 2021 are (in thousands):

Cash and cash equivalents	14,265
Due from related parties	160
Securities owned	31,705
Securities sold but not yet purchased	52,833
Due to related parties	3,492
Lines of credit payable to related parties	141,693
Income tax payable to Parent	14,286

As of June 30, 2021, the Company had a $400 million unsecured demand revolving line of credit with the Parent. The line of credit has a stated interest rate equal to one month LIBOR plus 0.9% per annum, which was 1.00% at June 30, 2021, with interest due monthly. At June 30, 2021, the outstanding balance on this unsecured line of credit was $125 million and is included in lines of credit payable to related parties in the statement of financial condition.

The Company also has a $200 million committed unsecured line of credit with TB. The line of credit has a stated interest rate equal to one month LIBOR plus 1.75% per annum, which was 1.85% at June 30, 2021, with interest due monthly. At June 30, 2021, there was a balance of $16.7 million included in lines of credit payable to related parties in the statement of financial condition.

The Company also has a $5 million overdraft facility note with TB. The overdraft facility has a stated interest rate equal to TB's overnight cost of funds at the date of advance plus ten basis points. Advances and accrued interest under the facility are due the following business day. At June 30, 2021, there were no outstanding borrowings under the facility.

12. Commitments and Contingencies

Litigation and Regulatory Matters

The Company is routinely a party 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 proceedings is uncertain and inherently difficult to predict. It is possible that the ultimate resolution of these matters, if unfavorable, may be material to the Company’s financial statements.

In accordance with the provisions of U.S. GAAP for contingencies, the Company 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 the Company has currently accrued. On a quarterly basis, the Company evaluates its outstanding legal proceedings to assess litigation accruals and adjust such accruals upwards or downward, as appropriate, based on management’s best judgment after consultation with counsel and others, as warranted.

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

Millennium Lender Claim Trust

In August 2017, the Trustee of the Millennium Lender Claim Trust filed a suit in the New York State Court against the Company and other lenders of the $1.8 Billion Millennium Health LLC f/k/a Millennium Laboratories LLC (Millennium) syndicated loan. The Trustee alleged that the loan was actually a security and that defendants misrepresented or omitted to state material facts in the offering materials and communications provided concerning the legality of Millennium's sales, marketing, and billing practices and the known risks posed by a pending government investigation into the illegality of such practices. The Trustee brought claims for violation of the California Corporate Securities Law, the Massachusetts Uniform Securities Act, the Colorado Securities Act, and the Illinois Securities Law, as well as negligent misrepresentation and sought rescission of sales of securities as well as unspecified rescissory damages, compensatory damages, punitive damages, interest, and attorneys' fees and costs. The defendants removed the case to the U.S. District Court for the Southern District of New York and the Trustee’s motion to remand the case back to state court was denied. The defendants filed a motion to dismiss the claims which motion was granted on May 22, 2020 with the judge finding that the syndicated loan was not a security and that the misrepresentation claims failed because the loan agreement clearly held that a lender should do its own due diligence and not rely on any representations. However, Plaintiff was given leave to file an amended complaint. On June 12, 2020, the Trustee in the Millennium Health Lender case filed a motion to amend its complaint. In the motion, the Trustee attempts to bring fraud claims and a negligent misrepresentation claim. Specifically, the claims the Trustee seeks to assert against the Company are Aiding and Abetting the Insiders' Fraud, Conspiracy to Defraud Investors, and Negligent Misrepresentation. On December 1, 2020, the magistrate judge recommended that the motion to amend the complaint be denied because the proposed claims are subject to dismissal based on the court's prior order as well as the disclaimers included in the syndicated loan agreement that lenders should not rely on the defendants and should do their own due diligence. Although the matter is still on-going at this time, the Company believes, based on the information available, the matter will not have a material adverse effect on these financial statements.

13. Guarantees to Third Parties

The Company uses a third-party clearing broker to clear and execute customers' equity securities transactions and to hold customer accounts. Under the agreement, the Company will indemnify the broker for amounts paid to purchase the security. The maximum potential liability could be equal to the aggregate trading volume of the customers' transactions during the settlement period; however, this amount cannot be estimated due to the volatility in daily trading volumes. The liability is minimized by the fact that, in the event of nonperformance by the customer, the underlying security would be transferred to the Company who would, in turn, immediately liquidate the position, limiting the loss exposure to the market fluctuation in the underlying price of the security. Additionally, the Company may seek recourse from the customer by reimbursing itself from any cash or securities in the defaulting customers' account. The Company believes that it is unlikely it will have to make material payments under this arrangement and has not recorded any contingent liability in the financial statements for this indemnification. For the six months ended June 30, 2021 the Company experienced no net losses as a result of the indemnity.

The Company utilizes the Fixed Income Clearing Corporation ("FICC") for trade comparisons, netting and settlement of fixed income securities. As a Government Securities Division netting member, the Company has a commitment to the FICC to meet its financial obligations as a central counterparty clearing house in the event the FICC has insufficient liquidity recourses through a potential Capped Contingency Liquidity Facility ("CCLF") repurchase transaction. This commitment would be based on the Company's share of its liquidity burden on the FICC. The Company believes that it is unlikely it will have to be counterparty to a potential committed liquidity resource repurchase transaction under this agreement and has not recorded a liability in the financial statements.

14. Net Capital Requirements

The Company is subject to SEC Rule 15c3-1, which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by SEC Rule 15c3-1, which requires that the Company maintain minimum net capital, as defined, equal to the greater of the minimum dollar net capital requirement or 2% of aggregate debit balances arising from customer transactions, as defined. At June 30, 2021, the Company had net capital, as defined, of $662.6 million, which was $661.6 million in excess of the required net capital.

Supplemental Information

Truist Securities, Inc.
(A Wholly Owned Subsidiary of Truist Financial Corporation)

Schedule I
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission

Unaudited as of June 30, 2021
(In Thousands)

Computation of net capital		
Total shareholder's equity		$ 1,655,288
Total capital and allowable subordinated borrowings		1,655,288
Deductions and/or charges:		
Nonallowable assets:		
Goodwill and other intangibles, net of accumulated depreciation	178,246	
Accrued interest, receivables, and other assets	107,055	
Deposits with clearing organizations	7,407	
Deferred taxes	12,526	
Fixed assets, net of accumulated depreciation	12,540	
Total nonallowable assets	317,774	
Other deductions or charges	76,861	394,635
Net capital before haircuts on securities positions		1,260,653
Open contractual commitments	240,970	
Haircuts on securities:		
Corporate debt obligations	307,222	
U.S. government and agency obligations	19,076	
State and municipal obligations	2,746	
Commercial paper	48	
Equity securities	4,318	
Other securities	23,632	598,012
Net capital		$ 662,641
Computation of alternative net capital requirement		
2% of aggregate debit items as shown in formula for reserve requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation or minimum net capital requirement (if greater)		1,000
Excess net capital		$ 661,641
Net capital in excess of 5% of aggregate debit items or 120% of the net capital requirement if greater		$ 661,441

There are no material differences between this computation and the Company's unaudited Financial and Operational Combined Uniform Single ("FOCUS") Report as of June 30, 2021, filed on July 26, 2021.

SunTrust Robinson Humphrey, Inc.
(A Wholly Owned Subsidiary of Truist Financial Corporation)

Schedule II

Computation of Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission

Unaudited as of June 30, 2021
(In Thousands)

Credit balances:	
Customer-related fails to receive	$ 12,953
Market value of short securities and credits in all suspense accounts over 30 calendar days	4,266
Total credit balances	17,219
Debit balances:	
Customer-related fails to deliver	6,164
Gross debits	6,164
Less 3%	(185)
Total debit balances	5,979
Reserve computation:	
Excess of total credits over total debits required to be on deposit in the "Reserve Bank Account"	$ 11,240
Amount on deposit in the "Reserve Bank Account" at June 30, 2021	$ 29,994

There are no material differences between this computation and the Company's unaudited Financial and Operational Combined Uniform Single ("FOCUS") Report as of June 30, 2021, filed on July 26, 2021.